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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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WAR TIME SCALES OF WAGES ARE NO LONGER JUSTIFIED

Labor Costs Will Have to Be Gradually Reduced

SURPLUS OF LABOR

Head of Large Industrial Corporation Discusses the Situation—Greater Production

The position of labor during and following this period of business readjustment is a question that calls for some careful thought on the part of employers. Are the war-time scales of wages now justified in view of the fact that commodity prices are now on the decline, and that there is a great surplus of labor following the curtailment of operations in many lines? May the law of supply and demand be counted upon to adjust the wage rates equitably, both from the standpoint of the wage earner and the employer? In the past months labor costs have been one of the most important items in forcing up production expenses. Labor could demand and obtain the maximum of wages, because industry was booming, and there were not sufficient workers to supply the demand. To-day the condition is changed. Thousands of men in every industrial centre of the country are idle, and many are looking for an opportunity of getting back to work at any reasonable wage.

Some questions on this subject were addressed by THE FINANCIAL POST to W. W. Butler, president of the Canadian Car & Foundry Company. Limited, a corporation which gives employment to hundreds of men. In his reply Mr. Butler declares that wages will have to be gradually reduced in order to make lower production costs possible. The reduction must be gradual, he adds, in order to offset as far as possible any discontent or hardship that may accompany such action. Efficient labor, he declares, has nothing to fear after the present period of adjustment is over, as the reduction in wages will no doubt be on a par with the decline in the cost of living.

His statement follows:

I think that labor is in the same position that it has always been in, that good, intelligent, conscientious labor has nothing to fear from the present conditions except that for the time being, there is not sufficient work to go around, and consequently labor is in the position of seeking employment rather than of being sought. I do not think that war time scales of wages are justified at the present time, and think that they will have to be greatly reduced.

How can lower production costs be attained with the minimum of disturbance, discontent and hardship?

I feel that lower production costs will be attainable, first, by the gradual reduction of wages. These necessarily, cannot be reduced at once, and probably never will be reduced to the pre-war level, but for some months to come I look for gradual reduction in labor rates.

Lower production costs will be attained by increased production per man. On account of the surplus of labor men are going to be more interested in their work and will be more keen to produce. Also by the gradual reduction of hourly rates piece workers will be more interested in increasing production as the day rates will not be so attractive as at the present time. I do not think that employers should attempt to take advantage of the present situation with labor, but I am sure that if the decrease in the cost of living and the necessity of increased production per man are properly put before labor, they will see the reasonableness of accepting reductions in their rates of wages, and also the wisdom of increasing production, and then conditions will become normal without any undue discontent or hardship.

CANADIAN HONORED

MONTREAL.—Private advices received in Montreal to-day conveyed the information that James Hamet Dunn, a former Montrealer, but for several years engaged in financial pursuits in the British metropolis, was included in the New Year's honors of His Majesty, having a baronetcy bestowed upon him.

The new Sir James is well known in financial circles here having at one time been a member of the Montreal Stock Exchange previous to which he had practised at the Montreal Bar for some years. He is a Nova Scotian by birth.

A STEAMSHIPS POOL

Some 25,000 Shares Said to be Involved in Plan

Word comes from England of a plan to form a pool amounting to some 25,000 shares to deal in Canada Steamships common during the next few months. It is declared the purpose is to buy for investment rather than merely for a turnover. When the stock reached its low at 34 on the Canadian market buying started from overseas. At the present price the stock pays between 14 and 15 per cent., but for some time past there has been little trading, owing, it is felt, to an uncertainty as to the final position the company will occupy in connection with the proposed British Empire Steel merger.

A new freight line will be started in a few days between St. John, N.B., and Newfoundland.

WANT TO DISSOLVE N. A. P. TRUST AT $6.75 PER SHARE

Shareholders Confused at Dual Offer Made by President

By Resident Representative.

MONTREAL.—A proposal has been made to the shareholders of the North American Pulp and Paper Companies Trust to meet at the Ritz-Carlton on February 8 next at twelve o'clock noon, for the purpose of considering a proposal made to them by J. E. A. Dubuc, president of the Trust. This proposal contemplates the surrendering of the common stock of the North American Pulp on a basis of about $6, or $6,000,000 for the million shares, or transferring this common stock for preferred and common stock of the Saguenay Pulp & Power Company, on the basis of one share of preferred and four shares of common of the Saguenay for ten shares of the North American Pulp. The proposal, even in the light of a fairly lengthy circular which has been issued, is so far rather confusing to the shareholders. They are asking the reason for this action. They are rather disappointed at the suggestion that the final liquidation of their common stock will net them only about $6 a share, or, allowing for exchange with the $6 payable in New York funds, about $6.75 to $6.85 a share. The stock had gone up to over $14 a share, and within the past year or so ran up to over $8 a share. The average price will probably run between $5 and $6 a share.

Saguenay Before N. A. P.

As has been intimated on several occasions in THE FINANCIAL POST the position of the North American Pulp in many respects was becoming untenable. It originally held a number of securities, the chief of which was the Chicoutimi Pulp Company, but in 1919 when a sale of

Continued on page 5.

WESTERN GROCERS IN GOOD SHAPE

A Successful Readjustment Was Commenced Over Six Months Ago

Reports coming from Winnipeg indicate that the MacDonald Company (Western Grocers) have come through the period of declining prices in a satisfactory condition. Over six months ago this company began to cut down very greatly in their buying, foreseeing a slump in prices. The operations of the past year have been very successful and with very liberal allowance for depreciation of all stocks on hand, the statement for the year 1920, it is understood, will show a return of about 6 per cent. on the common stock.

During the month of December, when there was a decided drop in prices of several lines, the MacDonald Company went into the market and bought to advantage so that they increased for the time being the inventory as at December 31, 1920. It is learned, however, that the banking indebtedness in spite of the high prices of goods is considerably lower than was shown at the end of 1919. From now on, with few exceptions, the company will be able to enter the market under more normal conditions.

NEWSPRINT MILLS AND PUBLISHERS ON BETTER TERMS

Government Control Was Not in Best Interests Of Newspapers

TO INSURE SUPPLY

Progressive Plans of Pulp and Paper Association for the Good of the Whole Industry

By G. H. CAHOON, Jr.,
From Annual Address to Canadian Pulp and Paper Association.

First and foremost, I think we should place the initial steps which have been taken towards establishing a Department of Scientific and Technical Research in connection with the industry. The preliminary details have been carefully mapped out and the scheme as a whole has, I am pleased to say, met with practically universal approval from the members to whom it has been submitted.

Amicable relations have been restored between the publishers and the newsprint manufacturers, and some of the more representative publishers have made public record of their convictions, as a result of the experience of the past three years, that Government control of the newsprint industry worked out to the economic disadvantage of those whom it was designed to serve and that the newspaper industry of Canada would be in a stronger position to-day had the laws of trade been permitted to take their natural course without interference.

Forestry Legislation

The passage by the Congress of the United States of the legislation known as the Underwood Resolution, seeking to open the way to the free exportation from Canada of pulpwood cut from Crown lands, naturally provoked much interest among our members, who feared that this measure, if it were successful, would prove detrimental not only to their industry, but to the country at large, and therefore regarded its disapproval by the president with satisfaction.

The Executive Council feel that there is great need of educational work among the people of our several provinces in connection with the securing of proper, effective and adequate legislation for the protection of our forests, and the perpetuation of our wood supplies. In proposing such legislation we have also realized that we have certain obligations of our own to perform, one of which is to assist in building up as far as possible a public sentiment that will support the several provincial governments in enacting this legislation and in giving it due effect. As one means to this end, the Executive Council proposes the coming year to send a representative of the association to Northern Europe to gather what information we can regarding forestry conditions there and to supply the information so obtained to the newspapers and periodicals of Canada, and thereby to assist in convincing the people of the Dominion that it is to their interest, no less than our own, that progressive forestry legislation should be enacted, and that the proposed regulations should be made effective.

Foreign Relations

The association was honored during the year by having as its guests several gentlemen associated with the pulp and paper industry in Europe. The conferences which ensued were, on our part, aimed at impressing the representatives of these different countries with the benefits to be derived from the exchange of statistical information bearing on conditions prevailing in the industries of their countries and our own. These gentlemen returned to their homes apparently appreciating greatly the evidences of confidence and co-operation existing between the members of the industry in Canada and the United States, and with the intention of so organizing their own industries as to be in a position shortly to offer us, through the exchange of statistical information, all of the benefits that could be derived from a world-wide association.

REPORTS THAT RETAILERS HAVE NOT YET ACCEPTED REPLACEMENT COST BASIS

Public Not Tempted by Low Cost But Must Need Goods

Bigger Reductions Than Before—Sales Below Last Year's—Wiping Out Reserve

By Resident Representative.

MONTREAL.—The controversy between the mills and the wholesalers on the one hand and the retailers on the other still rages unceasingly. The former group contend that it is the retailer that is obstructing the return of brisk business through not marking down his goods enough to induce the public to buy; reducing them, in fact, to meet the replacement values. The retailer replies that in many cases he has met these cuts of the mills; that in some others there would be little more buying if he did cut prices further, and that in any case the mills and wholesalers are calling upon the retailers to assume too great a share of the losses forced through declining commodity prices. The retailer in the main claims that the mills passed on the greater portion of their high-priced stocks to the stores, and have been comparatively lightly hit by the declines. They admit, however, that this does not apply, for instance, to the woollen mills, boot and shoe manufacturers, sugar refineries, and a few others, where the slump was very sudden and had to be absorbed mostly by the mills.

Grocers Least Affected

In the meantime liquidation is proceeding fairly satisfactory in the retail stores. It would appear that declining prices have affected grocers less than any other line. It is probably true that in hardware lines the reductions have been less than in grocery lines, but these, according to any line of reasoning, must come at a lively rate some time, so it appears to be merely a question of losses deferred; but in the case of groceries the turnover is so rapid compared with other lines—running from eight to ten to twelve times and even as high as twenty in a year—that even now a large portion of the stocks of grocers are being replenished at the new low prices, and with small stocks on hand their losses have been trifling, limited mainly to canned goods, some flour, sugar, etc.

Heavy Losses in Dry Goods Stores

Not so with the large dry goods stores, department and general throughout the country. Here the heaviest losses have been met with. Those who started early last fall to reduce their goods and met the desire and demand of the public for radical cuts have experienced the least loss; those who have held on in the vain hope of a recovery of prices stand to lose more the longer they delay. Not only have they lost sales for months, but they will be latest of all in getting into replacement market prices, and business and profits under more normal conditions will be lost to them.

January Sales

A survey of January sales throughout a number of stores upholds the view expressed some weeks ago that the reductions are far greater on an average than in November and December. Thus the proportionate losses are the greater. On the whole reports show that sales are considerably less than one year ago. This also was to be expected. In other words, the buying public are in a condition where they do not buy even where a price is far below replacement value unless they need the goods. One department store reports that they tested this out and put on sales at one-third the former prices, and far below the new cost price, but the response in several lines was almost negligible. Low prices alone will not ensure buying on the part of the public. This argument is used by many retailers as a reason why they are unwilling to bring all goods down to a replacement cost basis: the public would not buy anyway. On the other hand, they admit that this is the only sensible policy in the case of seasonable goods.

In a test made of the extent to

Continued on page 16.

U. S. MERCHANT FLEET

Thirty Ships Have Been Withdrawn From Service

Orders withdrawing from service thirty ships, aggregating 180,000 deadweight tons, for tie-up at Baltimore, New York, Norfolk, Philadelphia and at Gulf ports, have been issued by the Shipping Board. The largest vessel affected is the 12,500-ton steamer James Otis, to be tied up at Baltimore. Three of the ships, the South Bend, Edelyn and Marcia, are over 12,000 tons and will be tied up at New York.

$1,000,000 ISSUE FOR AMES-HOLDEN WORKING CAPITAL

Second Mortgage Bonds Being Disposed of At 80

By Resident Representative.

MONTREAL.— The bond offering referred to in last week's issue to provide working capital for Ames, Holden, McCready, Limited, will, it is understood, amount to about $1,000,000. The price mentioned is 80, which would represent a return of about $800,000. This it is believed will be sufficient to carry the company over the next few months until it can rely upon profits under more normal business conditions. The offering will be in the form of 7 per cent. ten-year second refunding mortgage bonds, dated January 1, 1921, and payable January 1, 1931. The bonds will be secured by a fixed mortgage and charge on the company's real estate, buildings, etc., but will be subject to a first mortgage issue of $1,500,000. Of this issue there is outstanding $1,296,693, ash $203,306 have been cancelled through the operation of the sinking fund. In addition there is $375,000 of 6 per cent. five year second mortgage debentures dated August 1, 1916, and payable August 1, 1921. As these mature in August of this year provision has been made for having these exchanged for an equivalent amount of the 7 per cent. ten-year second refunding mortgage bonds which are now being issued. This will pay the new issue in the second position, next to that of the first mortgage bonds. The authorized amount of this new issue of bonds is $2,000,000 but it is understood only $1,000,000 will be issued now in addition to the $375,000, which will be given in exchange for the 6 per cent. debentures.

The company has made satisfactory arrangements with its former employees to accept a decline of about 20 per cent in wages and it is expected shortly to resume operations.

ABITIBI WITH OUTPUT OF 700 TONS DAILY

Present Year's Plans Contemplate Big Increase in News And Pulp

By Resident Representative.

MONTREAL.—The plans of the Abitibi Power & Paper Co. for the present year contemplate not only the doubling of their output of newsprint which would bring it to about 500 tons a day, but a large increase in the surplus of sulphite pulp and groundwood pulp. The increase in the production of the pulp mills will depend, of course, upon the condition of the demand there is for this surplus pulp. In any case the company will have to increase very largely its production of pulp in order to bring it up to the demand for the increased quantity of newsprint. If market conditions, however, are favorable about the middle of the year the company plans to have a surplus between groundwood pulp and sulphite of about 240 tons a day, which would give a total production for sale, most of it for export, of considerably over 700 tons a day. This would place Abitibi as the largest producer of newsprint and sulphite pulp in Canada unless Spanish River increases its production.

"EMBARGO" ENDS; LITTLE EFFECT ON STOCK EXCHANGES

No Distinct Movement Can Be Traced to This Latest Development

STOCKS ARE FIRM

High Rates of Sterling Exchange Discourage Liquidation of Securities—Markets Better

The lifting of the ban this week upon the importation of securities held abroad at the order of the Minister of Finance failed to arouse any definite response upon the stock markets in either direction. In fact it is improbable than any movement can be directly accounted for as a result of this latest development. It had been generally felt that this action would not be long delayed after the New Year, and the decision of the bond dealers of Toronto last week to take matters in their own hands and make an end of artificial control was no doubt the directing force behind the Minister's request. This so called "embargo," which has ever been unpopular in investment circles, had been imposed at a time when sterling exchange had moved to low levels in terms of Canadian funds, and there was in consequence a drastic liquidation of Canadian securities by British investors, who desired to secure the advantage of the high premium on Canadian funds. There is little doubt that the restrictions which were voluntarily imposed, by the banks, bond dealers and stock brokers had the effect of restraining some movement of Canadian funds out of the country, but the advantage to be thus derived was offset in large measure by the fact that there were many investment houses, which did not subscribe to the agreement, which carried on a lucrative business in connection with the sale of securities offered from abroad.

Not only had the this week's action been pretty well discounted in market

Continued on page 5.

THE POST THIS WEEK CONTAINS

Wages Are Regulated by the Purchasing Power of Money 2
Bacon Control Is to Continue Indefinitely 2
C.P.R. Engineer Believes in the Oil Possibilities of the West 3
Private Capital to Develop United States Water Powers 3
Toronto General Trusts Makes New Record for Profits 4
Are the Stock Markets Finally on the Way to Better Times? 5
Quebec Is Talking an Excess Profits Tax on Breweries 6
New Brunswick Labor Radicals Are for Collectivism 6
Silver Mines Are Now Facing Better Times 7
Canadian Funds to Apply on International Freight Charges 8
Banks Are Not Reservoirs of Money or Credit 9
Value of Gold Money Subject of Bank Lecture 9
The Question of Unemployment Insurance Is Now Re-opened 10
The Soldier Settlers as a National Business Asset 11
Local Financing Has Worked Out Well in Halifax 12
Getting Down to Basis for Assessing Land 13
Ohio Firm Would Have Defaults Eliminated Now 13
Seek Legislation to Limit Use of Wooden Shingles 14
There Is Little Money Available for Mortgage Loans 14
Movements in Canadian Stocks During the Week 15
Lack of Figures to Support the Hydro Estimates 16
The Furniture Trade Is Now on the Basis of Replacement 16
Loan Companies Seek to Extend Borrowing Power 17
British Columbia Lumbermen Want Service by Panama Canal 17
Union Bank in Strongest Position It Has Ever Held 18
Building Totals for 1920 Show a Fair Increase 19
Readjustment Is Progressing in the Maritimes 20
Total Value of Field Crops Is Best on Record 20
Newsprint Is One Product That Stays at the Top 21
Gary Says There Is Nothing Unfavorable on the Horizon 21
Canada Life Makes Big Strides in 1920 22
National Life Issues Best Report in Its History 23
A Successful Year for Canada Permanent Loan 23
Royal Bank of Canada Reports Most Successful Year 24

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463

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WAGES REGULATED BY PURCHASING POWER OF MONEY

Lower Commodity Prices Pave Way For Reduction in Wages

FARM PRODUCE DOWN

New York Banker Discusses the Problem of the Manufacturer—High Prices Gone, Never to Return

There are many questions of vital importance to manufacturers of Canada arising out of the present stagnation in business, and declining commodity prices. The individual manufacturer is primarily interested in stimulating a demand for his goods at a price that will leave him a fair margin of profit. How can this best be effected? Is it necessary to make any radical changes in prices, or may a recovery of the market be looked for shortly? If there is no prospect that the demand shall revive at the old prices, how much should they be lowered? If the wage increases that have gone into effect during the past three or four years prevent a sufficient reduction in costs, what action should the employer take upon the wage question? Is it best in the interest of better living conditions to make a stand to compel the public to pay the prices necessary to maintain them?

These questions and others are discussed in the current issue of The Nation's Business by G. E. Roberts, vice-president of the National City Bank, of New York. He calls attention to the conditions in industry now prevailing in this readjustment period—sales have fallen off and works are shut down, or running with short force or on short time, and usually running behind because with the big investment and overhead of a large business, profits cannot be made on such operations. He continues as follows:

I do not think the markets will recover to the high prices of the last year. I think those prices are gone never to return, unless industry should be disorganized by some upheaval greater even than the war. Those prices were the result of war conditions, and it was inevitable that as peace conditions were restored price tendencies would be downward. It is true that the highest prices occurred after the war had ended, but the markets were under the influence of conditions created by the war. That fact does not disprove the general proposition that prices are bound to be lower as we get away from the influence of the war.

How much are prices going to fall?

I am not going to answer that directly, but will give a general rule which you can apply for yourself. The prices of manufactured goods must correspond in a general way to the prices of raw materials and food products. The farmers are the biggest single group of producers in this country, and also the biggest single group of consumers for everything they produce, over and above what they consume themselves, is given in exchange for the products or services of the other industries.

Law of Supply and Demand

The farmers have less control over the value of their products than perhaps any other class. They are not organized in any effective manner to control production or prices; they have to take practically what the competition of the markets gives them, which, however, I do not think nearly so much of a hardship as is commonly represented, because I think the law of supply and demand is the final dictator as to both wages and prices. But the product of our farms is largely sold in the markets of the world, and the prices in those markets also govern prices at home. During the war export prices went very high, but this year the crops of Europe are larger, and Europe is so poor that it canot buy as much as it needs and the prices of all farm products have had a great fall. It must be remembered that what the farmer has to spend shrinks more than his income, because out of the proceeds of his crops he must first pay whatever debts he contracted while making them. What is left over he can spend, but the debts do not shrink with the prices. They will take a larger proportion of the farmer's earnings and leave him a small proportion to buy things with.

This decline in the purchasing power of the farmer throws the industrial situation out of balance and causes a general disorganization. Since every line of production can sell less to the farmer, the purchasing power of all will be affected and they will buy less of one another.

There is only one remedy. If the prices of all the things that the farmers want to buy will come down, to correspond with the prices of what they have to sell, they can go on buying as before, subject only to the necessity of taking care of outstanding debts. But that is the only condition upon which the mills and factories can be started up on anything like full time. The next question is, how much must the prices of manufactured goods be reduced?

They must come down to a parity with farm products and raw materials. Possibly, farm products in this plunge have gone too low; they may recover to some extent, but bear in mind that even yet most prices are above the pre-war level. Remember that before the war Russia was a great source of supply for food-

Continued on page 19.

THE CUBAN SITUATION

Indications That Country is on Verge of Revolution

HAVANA.—Information either has reached or is on its way to the State Department which is likely to change completely the entire course of the American investigation into conditions in Cuba. It has been provided by Cubans themselves, and by Americans who have come out of the interior of the island republic, and indicates that the country is on the verge of a revolution by which the island's negroes intend to demonstrate their numerical supremacy and build up another republic in which black will rule white.

The immediate vehicle which will be used as the basis for the outbreak will be the tangled political and financial situation arising out of the last Cuban election — the situation which took Major.-Gen. Enoch H. Crowder to the island with the cloud of possible American intervention hovering above his mission. This situation will reach a climax in April, when the successful candidates in the still disputed elections should be installed.

BIG EMPLOYERS FOR OPEN SHOPS

Would Apply Plan to All Industries and Ignore Union Affiliations of Workers

CHICAGO.—The first open concerted action by great employers of the country in favor of the "open shop" movement was launched here at the meeting of industrial leaders, called by the Illinois Manufacturers' Association. A plan of action to open the industries of the country to all workers regardless of affiliation with trade unions was outlined in detail in preparation for the campaign.

Andrew J. Allen, secretary of the Associated Employers of Indianapolis, leader in the movement and one of the foremost advocates of the "open shop," outlined the purposes of the fight in an interview. He declared:

"The closed shop trade unions represent only 10% of the workers of the country engaged in gainful occupations," declared Allen. 'There are forty million workers and there are only four million organized workers, and about 40% of these are members of the union because of expediency.

"The open shop has now gained such wide approval that the closed shop soon will be a thing of the past. The unions must get back to their original purposes from which they have degenerated. Seventy-five per cent. of the union members do not attend their meetings and leave the government of the unions to 25%, most of whom are radicals. Control must pass out of the hands of the radicals into the hands of the majority."

MORE PRICE CUTS IN BUILDING FIELD

Material Dealers Take Losses To Start Early Building; Late Realty News

NEW YORK.—Further building material price reductions reflect the vigorous measures being taken by building material distributors to encourage an early start for the 1921 building season, according to the current Dow Service Daily Building Reports.

The principal items affected as shown in the latest list includes asphaltum, certain kinds of face brick, window and plate glass, blue, black, and galvanized sheet iron and plaster boards in certain sizes.

There are also price reductions reported in the lumber department in ash, basswood, both quartered and plain oak lumber, North Carolina pine studding, roofers, ceiling and partition, and all hardwood flooring, including yellow pine.

These price reductions have originated at distributing points. There is a general loss taking movement in market centres so as to unload the material purchased at the peak prices of 1920. One distributor, for instance, has been caught with 20,000 plaster boards on hand on which he is taking approximately a three cent loss on each one he sells under the lower price that has just become effective.

There is significance, as far as the prospective builder is concerned, in the fact that most of the price reductions that have taken place in building materials since the first of the year have not originated at manufacturing points. In plain words, it means that the manufacturer, with his limited reserves of stock and his uncertain manufacturing conditions, realizes that with an active construction market assured, even if not stimulated by curative or invigorating legislation, he will be able to dispose of much that he has on hand this spring and will benefit from a condition of demand in excess of supply far into the close of the year.

BACON CONTROL IS TO CONTINUE INDEFINITELY

That Is Decision of the Food Ministry of Great Britain

COMPROMISE REACHED

Individual Packers To Be Allowed to Handle Own Products at Prices to Be Set From Month to Month

Tentative proposals and possible plans for the ultimate decontrol of bacon in England, were discussed in New York recently by representatives of the Canadian packers, and Major D. C. McCollum, who is the American representative of the British Ministry of Food. A definite date of decontrol has been abandoned as the Ministry does not believe the moment opportune.

The problem presents many remarkable features, and cannot be disposed of on the ground that the saving to the English buying public is the only object of the "Control." Curiously, the British Ministry of Food seems to be made up largely of the Labor element in the Lloyd George government, and to their inexperience is attributed the precipitate action that resulted in the unnecessarily large stocks of bacon. These were purchased at high prices and are now "stale" and largely unsaleable in the warehouses of the Food Ministry. So far as the Food Ministry is concerned, therefore, the problem is not so much one of decontrol, as to dispose of their surplus stocks at prices that will not raise a loud protest when the huge loss on the speculation is known.

Compromise Arranged

Accordingly it is believed that the Food Ministry will find it necessary to retain control of certain products, in the hope thereby to recover the above loss. Naturally this will have to be done at the expense of the British consumer and must also be arranged in a way that will not be felt. Phlegmatic though the average Englishman is, he rises to heights of indignation at any carelessness that affects the cost of his food adversely. These difficulties were naturally recognized by the Canadian packers and consequently they realized the futility of any immediate process of decontrol. As a compromise, however, it was finally agreed—contingent upon the assent of the British authorities—that the Food Ministry would permit each individual packer to handle his own product, at a maximum price to be set from month to month by the Ministry.

This at least is a move in the right direction, as heretofore, since control was enacted, a confusion of marketing has prevailed in England. Trade marks and brands have lost their significance, products of Canadian packing houses were sold over the counters of American firms, while in some cases Canadian bacon sold as American and vice versa. This resulted in injustice to Canada both ways and has doubtless done immense harm to the favorable credit which Canadian bacon won for itself in recent years in England. With few, if any, exceptions, Canadian bacon was superior both as to quality and finish and could not but suffer from the dislocated methods of distribution. With the resumption of normal trade, however, at least insofar as distribution is concerned, the Canadian product comes again into its own. Canadian packers may now start to win back the reputation which they earned for quality and Canadian hog breeders may look to more steady and profitable markets.

Settlement Terms Unfair

As stated, a maximum price has been agreed upon and final confirmation is expected as soon as the negotiations can be approved by the officers of the Ministry in England. In the meantime not a little dissatisfaction is expressed with the terms arranged for payment. It seems that shipments originating from American packing plants are to receive settlement in New York funds, while Canadian shipments shall be paid in Canadian funds, or sufficient American exchange to pay the account in Canadian funds. This amounts to an advantage in favor of the American shipper in exact ratio to the amount of exchange ruling against Canadian funds in New York.

MARITIME TELEGRAPH

It is announced that the issue of $500,000 7% refunding mortgage gold bonds of the Maritime Telegraph & Telephone Company, Limited, which were offered last week privately, have all been disposed of before a public offering could be made. The price of the sale was 97½ and accrued interest, which gave a yield of about 7¼%. This was a long term issue, being dated Dec. 1, 1920, and maturing Dec. 1, 1945.

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PRIVATE CAPITAL TO DEVELOP U.S. WATER POWERS

Government Monopoly Has Been Broken By Act of Congress

MANY NEW PROJECTS

Private Enterprise Now Encouraged to Develop Properties Formerly Held in Close Control By the State

While in the majority of Canadian provinces and particularly in Ontario, nationalization of all water powers is a popular cry, Quebec is an outstanding exception—and while development is being stunted under this policy, it has been realized in the United States that the best interests of the country from the standpoint of industrial growth lie in the direction of encouraging private enterprise. The passage by Congress of the new Water-Power Act does away with many obstacles to the development of government controlled powers and will in the opinion of business executives and financiers undoubtedly result in the liberation of a steadily increasing amount of power for the public service.

In connection with this development investors are being encouraged to invest in what is now regarded by such houses as Harris, Forbes & Co. as "this most important and very attractive field." The company referred to is conducting a campaign to educate the investing public to the changed conditions of government control, believing in "development on a tremendous scale of hydro-electric powers heretofore unavailable."

Until the passage of the recent legislation at Washington the situation was that about 75 per cent. of the undeveloped water power in the United States was found on lands controlled by the Federal Government and was therefore available only on such terms that, generally speaking, investment funds were not forthcoming for its development. As to these obstacles we read:

> The greatest obstacle was the fact that under the old laws development of water power on Government domain could only be undertaken under such conditions that a merchantable title to the property could not be obtained, as the Government permit under which the project was developed was revocable at the will of the secretary of the department controlling such powers. Neither did the permit make satisfactory provision on its expiration or revocation, for compensating those who had assumed the risks and invested their funds in the undertaking.

Outline of New Act

A brief outline of the new legislation should be of interest to Canadian investors and business men:

> The new law creates a Federal Power Commission, composed of the Secretaries of War, the Interior, and Agriculture, having authority over all matters pertaining to the development of water powers with respect to which the Federal Government has jurisdiction or which it is interested in as the owner of land or other property necessary to such undertakings. The Commission may issue preliminary permits allowing applicants three years in which to investigate water-power projects, to prepare plans and estimates and to make financial arrangements, and may issue licenses for not more than fifty years to citizens and corporations of the United States, or to any state or municipality, for the construction and operation of power plants, transmission lines, improvements of navigation, etc., through the utilization of waters over which the Federal Government has jurisdiction, including those on public lands and reservations.
>
> At the expiration of the license it may be extended for another period; or upon not less than two years' notice in writing to the United States may take over and operate any project then dependent for its usefulness on the continuance of such license, on condition that before taking possession it shall pay the net investment of the licensee plus appropriate severance damages; or the commission may issue a license to others who shall make similar payment:
>
> "Provided, that in the event the United States does not exercise the right to take over or does not issue a license to a new licensee, or issue a new license to the original licensee, upon reasonable terms, then the Commission shall issue from year to year an annual license to the then licensee under the terms and conditions of the original licensee until the property is taken over or a new license is issued as aforesaid."
>
> During time of war the United States may take over and operate any water-power plant necessary to public safety.

This summary serves to indicate that the new law is equitable from the standpoint of both the Government and the prospective power developer and provides a basis of safety which, in the opinion of close students of the situation, should attract the money necessary for the development of such powers. One hundred and fifty applications have already been received to date under the new act.

TO PUT WAGES BACK

LAWRENCE.—In a statement issued to-day after a meeting of the local branch of the United Textile Workers of America, Thomas F. McMahon, vice-president of the national organization, declared that "when the time is ripe the United Textile Worker of America, backed by the American Federation of Labor, will seek restoration of the 22½ per cent. in wages stolen from us through the manipulation of the employers." He reminded the operatives that his organization on January 1 had advised mill workers not to strike, as the time was "not opportune."

ORE PRODUCTION IS 5 P.C. OF REQUIREMENTS

Iron and Steel Resources of Canada Await Development

Significant of the possibilities of further development of the natural resources of Canada is the fact that at no time within the past two decades ending with the year 1919 has more than 5 per cent. of the Dominion's requirements in iron been actually supplied with ore from Canadian mines. The actual quantity of ore derived from Canadian mines during the year 1919 was the lowest since 1900 according to a government review of the production of iron and steel in Canada just issued. During the last nineteen years, the report continues, the production has varied between a minimum of 122,000 tons and a maximum of 404,000 tons. The metallurgical industry in the production of pig-iron and steel, while it had made large growth based upon imported ores and to a large extent upon imported fuels and fluxes, supplies less than half the tonnage of Canada's requirements in iron and steel products. Canadian production of pig-iron and steel reached a maximum in 1918, the 1919 output having shown the effects of falling demand.

The average production of pig-iron during the previous ten-year period has been a little in excess of 1,000,000 tons, a large percentage of which has been converted into steel. The annual production of steel has practically doubled between 1912 and 1918, though production for 1919 fell below the 1913 figures.

SHOE MANUFACTURERS PETITION OTTAWA

Request Authorities Place Government Contracts Now to Stimulate Trade

The Ontario Shoe Manufacturers' Association, at its annual meeting in Toronto on January 12th, passed an unanimous resolution to petition the Government at Ottawa to take up immediately and give action upon the matter of such government contracts as are usually placed year by year. In their petition, the manufacturers set out that, while business men are practically united in agreeing that fundamental conditions in Canada are sound, and hope for the future bright, they admit however, an under current of pessimism existing as a result of the process of deflation and its concurrent unemployment.

Deflation having now proceeded to a point which confident judges believe to be about the bottom and the unemployment question proving larger and more serious from day to day, the shoe manufacturers base the justice of their plea toward speedy action on the part of the Government, upon the fact that if the government orders for footwear are placed now, it will enable the factories to resume operation immediately and thus tide over not only a slack period in their own annual business, but to immediately reduce the present population of the unemployed. This suggestion is not altogether without precedence. The period immediately after the signing of the armistice witnessed a similar wave of pessimism which however, was brought promptly to a conclusion by the action of the Dominion and Provincial Governments. In this case the Government advanced their buying programme and by thus stimulating early business, succeeded in dispelling this pessimism. Opportunities were created to employ returned soldiers and this did not a little succeed in bridging the gap between the war basis and the pre-war basis in industry.

Assurance will be given, that no advantage by the shoe manufacturers, will be taken of the situation and competitive business would doubtless provide for this item as well. The same argument also applies to many other commodities, notably clothing and hats, equipment, etc. Doubtless if the Government adopted the policy suggested by the shoe manufacturers, the same policy would be applied to other Government purchases.

C.P.R. ENGINEER BELIEVES IN OIL FUTURE OF WEST

Points to Important Strikes In Montana and at Fort Norman

THE GREAT PROBLEM

Now a Question of Locating Structures Favorable For Trapping and Much Work Being Done to This End

That it is a foregone conclusion that Canada will in the comparatively near future become an important contributor to the world's oil supply is the contention of G. G. Ommanney, M.E.I.C., investigating engineer of the Canadian Pacific Railway. In an interview with the Daily Herald, Mr. Ommanney declares that Western and Northwestern Canada lies in the great oil bearing strata of the North American continent which have produced the richest and most prolific oil reservoirs in the world and that Canada's future as a world producer is certain. He refers particularly to the fact that a new and highly productive oil field has recently been brought in in the State of Montana immediately south of the Alberta boundary, in addition to which he points to the strike at Fort Norman. These discoveries north and south, he believes, remove the question of the existence of a rich oil field in the great settled regions of Alberta now served by transportation from the sphere of prediction. The Montana field now includes two large producing wells yielding 2,000 and 3,000 barrels a day respectively.

Geologists and oil men have long recognized and agreed upon the similarity of the Wyoming and Montana formation with those of Alberta, Mr. Ommanney points out, and with the bringing in of the Montana gushers, oil has now been proved from Wyoming almost up to the international boundary. The oil in these two Montana wells, he avers, undoubtedly originated from the Devonian formations, which extend throughout the whole of the vast Canadian territory to the north up to the newly proven field in the far northwest.

The Great Problem.

The problem now resolves itself into locating the structures favorable for trapping the oil, he says, and much work has and is being done to this end. Every producing gas field is in itself regarded by oil men as a potential oil field, and as further evidence, the discovery of the great Albertan gas-yielding fields, such as the Medicine Hat field, has been followed by similar discoveries within thirty miles of the international boundary at Havre, Montana, producing from precisely the same sandstone as at Medicine Hat.

The small producing oil fields at Dingman, southwest of Calgary, where the contortion of the strata by the mountain uplift has greatly limited the area of producing fields, the vast bituminous seepages, known as the Athabasca tar sands, farther north at Fort McMurray, the numerous gas wells developed throughout the country, extending 300 miles east of the Rockies and 700 miles north from the international boundary, are all contributing evidence, he declares.

This evidence in recent years, in the opinion of engineers, has attracted the attention of the biggest oil interests in the world. As a result of this, there was a list in September of this year of twenty-four locations where drilling is actually in progress throughout western Canada, not including eight in the coastal district.

NO NEED FOR ALARM

Explanation of Charge About Timber "Running" to U. S.

ST. JOHN.—Officials of the N. B. Crown Lands' Department have issued a statement in reply to the charges made by Councillor Wetmore, at the meeting of the York County Council that American lumber companies operating in districts near the Maine boundary were illegally cutting pulp wood and exporting it to the United States. It is pointed out that the New Brunswick government has granted permission to operators to cut pulpwood on public lands in certain districts which have been ravaged by the Spruce Bird Worm, and which are not within reach of Canadian saw mills, or Canadian pulp mills. If permission was not given to export the pulp wood under such conditions the forests would simply go to waste, the Crown Land officials say.

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INTERNATIONAL PAPER

It is reported that pressure will be brought to bear on the directors of the International Paper Co. to start dividends on the common stock. The contention of certain shareholders, that a company that can show close to $125 a share earned on the common over a period of six years, with earnings in 1920 estimated between $30 and $40 a share, should give some recognition to shareholders in the way of dividends. Not only were earnings in 1920 large, but the outlook is for large returns in the current year.

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CANADA CEMENT COMPANY LIMITED

PREFERENCE SHAREHOLDERS

DIVIDEND NO. 44

NOTICE IS HEREBY GIVEN that a dividend of 1¾% for the three months ending December 31st, 1920, being at the rate of 7% per annum on the paid up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of February next, to Preference Shareholders of record at the close of business January 31st, 1921.

H. L. DOBLE,
Secretary.

Montreal, January 17th, 1921.

More Tobacco For The Money

1-12 lb. Package - - 15c
½ lb. Tin - - - - 85c

Bond Prices Will Go Still Higher

The effect of coming developments on investment securities is obvious. As interest rates relax, the prices of high-grade bonds will be bound to advance. This advance may not be far-reaching immediately, but that the trend will be upward after the present liquidation season has passed, does not admit of doubt. And the trend of securities of this type (disregarding seasonal or temporary fluctuations) should be definitely upward for some time to come.

We strongly urge the placing of every available dollar in Canadian Bonds at once.

Send for a copy of "Investment Information." It contains details of a number of attractive issues.

Bond Department

CANADA TRUST CO.
14 King St. E. Toronto

TORONTO GENERAL MADE NEW HIGH PROFITS RECORD

Net Earnings of $353,714 Were Higher Than Those of 1915

ASSETS INCREASED

Total Assets Higher by About $12,500,000 and Estates and Agencies Expanded by Nearly $10,000,000

A new high mark for earnings and continued expansion of estates under administration were features of the very satisfactory report of the Toronto General Trusts Corporation sent to the shareholders this week. The net profits amounted to $353,714 and were not only about $10,000 higher than the previous year and more than $30,000 larger than in 1918, but were also substantially above the previous high record of $345,456 in 1915; prior to the war the best showing was $299,016 in 1913. In addition to the profits there was $171,395 as premium in connection with the issue of $500,000 capital stock, while the balance brought forward was $265,529. Thus after payment of dividends of 11 per cent. (the rate was increased from 10 to 12 per cent. at the half year) and a bonus of 1 per cent., and meeting taxes of $25,000 in addition to $41,068 written off, there was sufficient to provide an addition of $250,000 to the reserve fund and leave a balance of $293,163. Following are comparative figures from the profit and loss account for the past three years:

	1920.	1919.	1918
Net profits	$352,714	$343,984	$321,969
Bal. forward	265,529	152,812	101,443
Prem. on stock	171,395	......	......
	$790,638	$496,796	$423,412
Dividends	$181,407	$180,000	$165,000
Patriotic	......	6,500	13,000
Reserve	250,000	......	50,000
Inc. taxes	25,000	25,000	12,000
Written off	41,068	19,767	30,600
Balance	293,163	265,529	152,812
	$790,638	$496,796	$423,412

While the profits touch a new high mark, attention may be called to the fact that as the capital investment has been increased the earnings on the present paid-up capital were only 20.56 per cent. compared with 22.92 per cent. in the previous year and a high record of 23.03 per cent. in 1915. However, on the basis of capital actually employed the rate was 23.40 per cent. Following are features of the company's record for the past fifteen years:

Year	Net Profits.	% on Cap.	Div.	Stocks High.	Stocks Low.
1920	$353,714	23.40	11+1	211	196½
1919	343,983	22.92	10+2	220	207
1918	321,969	21.46	10+1	204	199¾
1917	300,886	20.00	10	215	200
1916	321,382	21.42	10	212	205½
1915	345,456	23.03	10	204	189
1914	324,381	21.62	10	204	189
1913	299,016	22.16	10	200	183
1912	233,915	21.09	10	203½	178
1911	198,392	19.83	8	180	171
1910	178,074	17.80	8	175	167½
1909	162,353	16.24	8	165	150
1908	131,181	13.12	7½	145	143
1907	125,127	13.58	7½	150	140
1906	150,428	15.04	7½	160	150

With the addition of $250,000 to the reserve fund the total has now been raised to $2,250,000 in addition to $35,000 of contingent reserve. Compared with this the subscribed capital is $2,000,000, of which $1,726,960 has been paid up.

Big Increase in Assets

There was an increase of about $12,500,000 in the company's assets during the year, the total now amounting to $113,762,324. The inventory value of original assets of estates and agencies under administration grew from $59,878,042 to $69,135,658 and trust funds for distribution or investment from $27,885,791 to $31,112,579. Capital account expanded from $3,882,637 to $4,389,768 as the result of the new stock issue of $500,000. Following are comparative figures from the principal accounts in the balance sheet:

Year	Capital Account	Guaranteed Account	Trust Account
1920	$4,389,768	$9,124,317	$100,248,237
1919	3,822,637	9,476,559	87,763,834
1918	3,759,444	8,158,883	78,887,301
1917	3,625,628	8,939,785	70,721,368
1916	3,523,026	8,965,168	64,692,318
1915	3,413,812	9,715,345	58,740,311
1914	3,251,487	9,539,321	54,630,291
1913	3,093,266	8,785,637	51,176,929
1912	2,480,389	7,278,857	44,093,317
1911	1,804,591	6,163,731	37,118,336
1910	1,705,783	5,634,699	34,260,815

KRAFT-MacLAREN CHEESE CO.

Announcement is made of the incorporation of the Kraft-Maclaren Cheese Co., Ltd., capitalized at $1,000,000, and having its head office in Montreal. The new company has acquired the interests of the Maclaren Imperial Cheese Co., Ltd., Toronto, with factories in that city and Detroit. It also takes over the Canadian business and a large portion of the export trade of J. L. Kraft & Brothers Co., Chicago. A modern factory, refrigerating plant and warehouse, to cost $200,000, is now under construction in this city.

SHOE MAKERS TO RESUME

Endicott-Johnston Corporation Going Back on Full Time

NEW YORK.—It is reported that Endicott-Johnston Corp. will shortly resume full time operations. This is reliable evidence of the revival of the trade in United States. It also calls to mind that the shoe trade was one of the first industries to feel the effects of the recent readjustment and might naturally be expected to be one of the first to benefit by any improvement. Leather stocks have joined the advance of oils, indicating that liquidation in this line is complete.

ENORMOUS PAPER BILL OF PUBLISHERS

Newsprint to Value of Over $300,000,000 Will be Consumed by American Press

According to Editor and Publisher the newsprint bill of the American press for the calendar year 1921 will be considerably over $300,000,000 providing the contract prices announced by five big companies, as effective for the first quarter, rule firm for the entire year. This journal comments:

This $300,000,000 should be compared with a paper bill in 1920 of approximately $226,000,000.

Roughly, the increased cost in 1921 for newsprint alone that American newspaper publishers now face is $75,000,000. This vast sum must be wrung from the very lifeblood of the newspaper business, and in turn advertisers, and finally the public in general.

These figures are naturally conservative, because they are based upon a total production of 2,317,000 tons in 1920 and an estimated production of 2,500,000 tons for 1921, under an average selling price of the five largest manufacturers, and no account is taken of the spot market prices under which a percentage of the tonnage of 1920 was sold.

SPECIAL DISTRIBUTION BY CENTRAL CANADA

Paid Shareholders Three Per Cent. From Earnings Prior to 1917

The reserve fund having been brought to a total equal to the paid-up capital of $1,750,000, and profits for 1920 being even better than the showing made for the previous year, the directors of the Central Canada Loan and Savings Company decided upon a special distribution of 3 per cent. in addition to the regular dividends at the rate of 10 per cent. It is explained that this special distribution is out of profits earned prior to January 1, 1917, and the assumption is that it is now considered that conditions are sufficiently settled to permit of such a distribution being made. The special distribution took $52,500 and the regular dividends $175,000. Profits for the year amounted to $212,348, leaving a balance in profit and loss account of $103,470 compared with $124,202 brought forward. Following are comparative figures for the past three years:

	1920.	1919.	1918
Bal. forward	$124,203	$ 92,074	$ 73,863
Net profits	212,348	210,822	203,035
	$336,551	$302,896	$276,898
Dividends	$227,500	$175,000	$175,000
Patriotic	5,581	3,693	9,824
Balance	103,470	124,203	92,074
	$336,551	$302,896	$276,898

Profits were at the rate of 12.1 per cent. on capital and 5.8 per cent. on actual investment employed. Following are features of the earnings record for the past six years:

Year.	Paid-up Capital	Profits.	% Div.	Pfts. Cap.	Earn. Rate.
1920	$1,750,000	$212,348	10+3	12.1	5.8
1919	1,750,000	210,822	10	12.0	5.9
1918	1,750,000	203,035	10	11.9	5.8
1917	1,750,000	201,761	10	11.8	5.7
1916	1,750,000	221,571	10	12.7	6.3
1915	1,750,000	214,052	10	12.2	6.0

A gratifying feature of the year's business was the large increase in deposits, which now amount to $2,194,835, an advance of $370,517, or 20.31 per cent., and is 62.38 per cent. in excess of the amount on deposit at the end of 1918.

ELECTED TO STOCK EXCHANGE

The financial house of R. C. Matthews & Co., of Toronto, has secured membership to the Toronto Stock Exchange, in the election this week of a representative of the firm, A. M. Macrae, to a seat on the exchange. This company purchased a seat some time ago, but the deal was only completed with the election of Mr. Macrae. In a statement the firm points out that the object of buying the seat was to place at the disposal of the company's clients the best facilities for buying and selling Victory Bonds. Mr. Macrae has been with this house for the past twelve years.

ILLINOIS TRACTION

The November earnings statement of the Illinois Traction Company shows gross amounting to $1,914,274, an increase of $290,822 over the figures for the same month in 1919. Operating expenses and taxes amounting to $1,444,409 were higher by $295,044, while net at $469,865, showed a falling off of $4,221.

BANK STOCKS MAKE SHARP TURN UPWARD

Display Conspicuous Strength Since The Turn of The Year

The conspicuous strength displayed by bank stocks since the beginning of the year is one of the most encouraging features of the stock markets at the present time. With but one exception the banks have made remarkable recovery and are selling from four to fifteen points above the level at the begining of the new year. The stock of the Molsons Bank is the exception, and its market quotation remains unchanged at 170.

The present movement is in sharp contrast to the depression in bank securities during the closing months of last year, when demand fell off and attention was directed more closely to government and municipal securities, and the bank securities in consequence suffered prolonged reaction. The turn in the tide coincides with, and is probably attributable in part to the improved sentiment existing throughout the markets generally. The fact too that statements issued by a number of banks showing record earnings has been a stimulating influence. Whether this favorable showing will be maintained throughout the present year appears doubtful at the moment in view of the depression that has developed in business, which will naturally tend to curtail bank profits as well as earnings in practically every other line of business. The present movement too is coincident with the upward trend of government bonds, and indicates that investors are turning more and more to the conservative securities where they can combine safety of principal with a fair return upon their money.

In the present movement Commerce has displayed the greater strength, moving up from 182 to a high of 200 or a gain of 18 points, later reacting however, to 192. Bank of Montreal has moved forward fourteen points which advance has so far been sustained. Toronto has advanced ten points, and the Union Bank 14½ points. Yields now range from 5.68 per cent. in the case of Montreal to a high of 7.05 per cent. by Molson's, with an average however, slightly more than 6 per cent.

The following table shows the change this year with the present price and yield:

	Open 1921	High	Present Level	Yield
Commerce	182	200	192	6.20
Dominion	191½	202	202	5.94
Hamilton	169⅛	182	182	6.59
Imperial	185½	188	188	6.38
Merchants	168	182	178	6.73
Molsons	170	170	170	7.05
Montreal	196	211	211	5.68
Nova Scotia	250	255¼	255¼	6.27
Royal	194	205	205	5.85
Standard	200	205	204	6.86
Toronto	182	192	192	6.20
Union	142½	157	155	6.45

CONSUMERS' GAS

There has been a comparatively small turnover in Consumers' Gas during the past week, but despite this fact there has been a sharp movement upward, the price advancing from 125¼ a week ago to 132 at the close. The fact that even at the higher price there was little selling is an indication that holders have considerable faith in the merit of their investment. With a guaranteed dividend of 10 per cent. this stock will assume greater value as interest rates decline. A large block of the recent issue secured by two local investment houses is reported to have been sold within a few hours.

550% Increase—

WINNIPEG'S population has increased 550% in 20 years.

WINNIPEG ELECTRIC RAILWAY COMPANY has carried 59,000,000 passengers for the first 11 months of 1920.

Their net earnings have increased 50.60% over the same period of 1919.

We believe the securities of Winnipeg Electric Railway Company offer great investment possibilities.

Write for our analysis of Winnipeg Electric Railway Company.

NESBITT, THOMSON and Company, Limited
Bank of Hamilton Bldg., TORONTO
Montreal Hamilton London, Ont.

RAILROAD EARNINGS

Earnings of the Canadian Pacific Railway for the second week of January totalled $3,276,000 as compared with $3,331,000 for the corresponding period in 1920, an increase of $55,000 or 1.6 per cent.

Earnings of the Canadian National Railways for the second week amounting to $2,168,969, showed an increase of $304,749 or 16.3 per cent.

The Grand Trunk earnings for the week ending January 14 totalled [illegible] 691, an increase of $405,882 or [illegible] per cent.

Established 1899

THE NATIONAL LIFE

Assurance Company of Canada

Head Office---National Life Chambers, Toronto

President and Managing Director
ALBERT J. RALSTON

First Vice-President
GEORGE W. BEARDMORE

Second Vice-President
W. R. HOBBS

Assistant General Manager and Secretary
F. SPARLING

WILLIAM C. WAIT
Assistant Secretary

TWENTY-SECOND ANNUAL REPORT

A RECORD OF SOUND PROGRESS

LIABILITIES.

Reserves, Om. (5) 3½% basis	$4,183,045.00
Extra Reserves for 3% Guaranteed Policies at end of Twenty Years	115,413.00
Death Claims Outstanding, awaiting Claim Papers	39,824.00
Matured Endowments and Dividends set aside for Policyholders	42,944.85
Commissions due Agents and Medical Fees	1,275.44
Interest and Premiums Paid in Advance	15,073.43
Taxes Payable in 1921	10,526.35
Instalments Victory Loan	305,000.00
SURPLUS for additional protection of Policyholders (Including Paid-Up Capital $250,000.00).	466,080.92
	$5,179,182.99

*NOTE—The Bonds and Debentures are taken into the Statement at $441,310.02 below the par value.

ASSETS

	Par Value	Book Value
Dominion Provincial and Municipal Bonds	*$4,375,806.07	[illegible]
Bank Stocks (Imperial, Royal, Dominion, Bank of Toronto and Bank of Montreal) Book Value		[illegible]
Toronto Consumers' Gas Stock (Book Value)		[illegible]
Head Office Building (1918 Valuation $301,653.00) (Book Value)		250,000.00
Policy Loans (Secured by Legal Reserves)		[illegible]
Treasury Vault Equipment		[illegible]
Cash at Banks and at Head Office		[illegible]
Accrued Interest on Bonds and Debentures	$55,076.23	
Bank Stocks	1,246.00	
Loans, etc.	4,787.84	
		[illegible]
Outstanding and Deferred Premiums (less full first year and renewal commissions)		[illegible]
		$5,179,18[illegible]

The substantial increases noted in the following Statement gives a clear idea of the genuine progress being made by The National Life.

COMPARATIVE STATEMENT IN THREE YEAR PERIODS

	Assets	Business in Force
1902	$ 199,070.71	$ 3,425,897.00
1905	567,396.75	5,125,437.00
1908	1,085,227.67	8,625,509.00
1911	1,740,701.99	14,453,866.00
1914	2,886,717.60	21,908,408.00
1917	3,755,420.53	22,686,816.00
1920	5,179,182.99	30,806,390.00

BELOW ARE THE RESULTS FOR 1920 AS SHOWN BY THE FINANCIAL STATEMENT

		Increase
Total Assets	$ 5,179,182.99	$ 332,440.02
Total Assurances in Force	30,806,390.00	4,000,207.00
Total Income	1,280,558.69	181,055.77
Applications for New Assurances Received	8,362,802.00	2,597,852.00
New Assurances Issued, Placed and Paid For	7,501,852.00	2,261,500.00
Reserves for Protection of Policyholders	4,298,456.00	324,079.00
Surplus for further Protection of Policyholders	466,080.92	45,992.49
Net Interest Earnings on Investments	5.90%	

Mortality Experience for the Year, 57.5% of the expected.

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Oils, Industrial, Mining *and* Curb Securities

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which has been issued every Friday since 1903.

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Bank of Toronto Bldg.
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It is conceded that investment securities have rarely sold at such low prices or yielded higher returns than at present.

We urge our clients to profit by this situation.

We will be very glad to assist you in selecting securities suited to your requirements.

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ARE THE MARKETS FINALLY ON WAY TO BETTER TIMES?

No Conclusive Proof That Long Era of Depression is Ended

DEVELOP FIRMER TONE

Fair Amount of Activity Since the New Year—Extensive Investment Buying—Papers Weak

There is no conclusive proof as yet that the long era of depression in stock market circles is at an end, and that the markets are definitely on the way to better times. The fact remains however, that since the new year the majority of the members of the market list have been distinctly firmer in tone, and important advances are recorded in a number of cases. At the moment, however, a spirit of hesitancy has developed and the upward movement has been arrested temporarily.

Below is produced the record of a number of the active securities during the present year. A study of this table reveals the fact that the majority on the list have made substantial strides forward since the beginning of the year. Attention has largely centred in securities of well-known investment merit, and such stocks as Canadian General Electric, F. N. Burt, Canada Steamships preferred, Steel of Canada and others have been active and firm. The banks are a group that have been stronger and by their activity have served to supply more than the customary animation to the list as a whole. The paper stocks are exceptions to the rule, and price fluctuations in connection with this group are mainly of a negative character.

In the main, the large portion of the stock outstanding at the present was purchased at prices considerably above the present market levels, and until there is some approach to the purchase price there is little encouragement for the holder to let his stock go unless hard pressed for funds. This is a factor which may be instrumental in forcing up security prices for if a demand revives and there is not sufficient stock available to satisfy this demand then prices will naturally rise.

On the other hand there is still the uncertain and gloomy outlook in the business world, and while the money situation is said to be loosening up the need is imperative for business purposes. Depressing influences are still at work, but with a gradual revival of business they will be overcome. The next few months should witness a distinct improvement in this connection.

The following list reveals the course followed by a number of prominent market features since the beginning of the year:

	Opening.	High.	Pres. Quot.
Atlantic Sugar	21	33¼	32
Brazilian Traction	31½	36	33½
Canada Cement	58	64⅛	64
F. N. Burt	101⅜	109	105
Can. General Electric	94¾	101	101
Can. Pacific	137	141	133
Can. Steamships, pfd.	66	74	73½
Dom. Steel Corp.	43	49	47½
Lake of Woods	136	142	142
Maple Leaf	138	145¼	144
Steel of Canada	59	63½	63
Toronto Railway	61½	65	63⅝

BETTER OUTLOOK FOR BARCELONA TRACTION

Look for Higher Earnings for 1920—Preferred Now Participating

A discussion upon the conditions attending the operations of the Barcelona Traction, Light & Power Company, at the annual meeting in Toronto this week, disclosed the fact that while there is still room for improvement the company is getting into better shape, and it is expected that earnings for 1920 will show a big advance over the returns for the previous year. Vice-president Miller Lash, who presided over the meeting in the absence of President E. R. Peacock, stated that about the middle of last year the company completed two new units of the power development at Camerasa, but owing to the slow-down of business in Spain the new power had not found a ready market as yet. Labor conditions were improving as a new civil government had been deporting the worst of the extremists, who were leaders of the attempted social revolution last year.

Higher rates, he added, had been secured from many light customers and some progress had been made in raising the rates for power. Revenue from power sources would improve when business picked up. The only present extension proposed is seven miles of railway, which it is thought will finance itself. Net earnings for 1920, estimating the figures for December, would show a good increase, being placed at 20,788,649 pesetas, compared with 15,746,216, in 1919. Advantage of the conditions in exchange has been taken to pay off a series of debentures in France, and on this transaction the company made substantial profit, the money being raised through a syndicate in Great Britain.

At the regular meeting a new bylaw was ratified removing the compulsory feature which had provided for the redemption of a certain amount of the preferred stock each year. The further provision was made that the company may redeem preferred shares at 110 at any time it sees fit to do so. Another change involved provides that preference shareholders shall share pro rata with common shareholders in any surplus for distribution, thus making the preference shares participating.

One change was made in the directorate, E. A. Macnutt, treasurer of Sun Life, replacing T. B. Macaulay, president of Sun Life, at the latter's request.

"EMBARGO" ENDS; LITTLE EFFECT ON STOCK EXCHANGES

Continued from page 1

circles, but the fact that sterling is now quoted at a comparatively high rate has had a tendency to discourage the liquidation of Canadian securities held in Britain at the moment.

The markets this week pursued an irregular course with the general trend however mainly upward. The week closed with a rally of substantial proportions with practically every member of the list sharing in the general improvement. Even the papers which have displayed a tendency to weakness during the past few days were distinctly firmer. Market activity mainly centres around the investment features. Since the beginning of the year stocks of this character have been in demand and the price appreciation runs from one to several points. In this connection the bank stocks have been outstanding features. The revival of interest in the banks may be partially attributed to the generally favorable reports that have been issued during the past few days, and also to the undoubted investment merit that they possess. Utilities too have contributed a fair share of the week's trading, and the price appreciation has been quite decided.

The general market situation since the turn of the year has taken a turn for the better. Whether this is the beginning of better times, or is merely a temporary phase, cannot yet be determined, but the former aspect is the one generally accepted. The extension of activity has resulted in some very substantial gains, and while the market as a whole has not participated in the movement, the list has been of sufficient breadth to stimulate a distinctly optimistic feeling in market circles.

The money situation has shown considerable improvement, and a number of brokerage houses report little or no difficulty in obtaining all that they require for immediate needs. The exchange markets have been firmer, and Wall Street maintains a better tone. Conditions in the business world are very little improved as yet, but opinions expressed by those in close touch with the industrial interests of this country lead to the belief that a revival of broad activity will not be long delayed, and the early spring months are mentioned as the time most likely to witness the initial revival of business on a large scale.

	Last Jan. 12	Sales Jan. 19	Ch'ge
Abitibi Paper, com.	55¾	58	+ 2¼
Ames Holden, com.	*20	25	+ 5
Do., pref.	43	44	+ 1
Amer. Salesbook, pref.	72	74	+ 2
Atlantic Sugar, com.	30	30¼	+ ¼
Barcelona	4½	4¼	— ¼
Brazilian	34½	34⅝	+ ⅛
Burt, F. N., com.	101⅜	105	+ 3⅝
Do., pref.	*101	106	+ 5
B.C. Fish	44¾	43	— 1¾
Bell Telephone	99¾	102	+ 2¼
Brompton Pulp	53	54⅛	+ 1⅛
Can. Bread, com.	21⅛	22	+ ⅞
Can. Car, com.	*35	43	+ 8
Do., pref.	70	78¼	+ 8¼
Can. Cement, com.	64⅛	64	— ⅛
Do., pref.	91	91½	+ ½
Can. Converters	60	65	+ 5
Can. Gen. Elec., com.	101	104	+ 3
Do., pref.	93⅛	90	— 3⅛
C.P.R.	140	135	— 5
Consumers' Gas	127	134¼	+ 7¼
Dom. Bridge	87	90½	+ 3½
Dom. Canners, com.	36½	38¼	+ 1¾
Dom. Glass, com.	59¾	62	+ 2¼
Do., pref.	*77½	81	+ 3½
Dom. Steel, com.	48¾	47¾	— 1
Dom. Textile, com.	107	108	+ 1
Kaministiquia	87	92	+ 5
Laurentide	94	92	— 2
Lyall Cons.	55	72⅛	—17⅛
Macdonald	25	22¼	— 2¾
Montreal L., H., Cons.	84	86	+ 2
N.S. Steel, com.	41	39½	— 1½
Quebec Rly.	23¼	26	+ 2¾
Riordon, com.	131⅞	131	— ⅞
Shawinigan	106	107¼	+ 1¼
Span. River, com.	87¼	83¼	— 4
Do., pref.	93	92½	— ½
St. Law. Flour, com.	70	75	+ 5
Wayagamack	85	79½	— 5½

*Last previous sale.

WANT TO DISSOLVE N. A. P. TRUST AT $6.75 PER SHARE

Continued from page 1

$5,500,000 of 6½ per cent. gold bonds was carried out for the purpose of recruiting the finances of these companies it was found necessary on account of the involved condition of North American Pulp's connections to form a new company, the Saguenay Pulp & Power Company, which then came in between the North American Pulp and its subsidiary companies as a holding company. At the same time it was provided that during the duration of these bonds the trustees should hold control of the appointment of members of the board of the Saguenay, who in turn would control the various subsidiary companies whose bonds and stocks had been given as collateral for the issue of bonds.

To Terminate the Trust

In the circular to the shareholders the president asks on behalf of the trustees to be authorized to "terminate the trust and to negotiate for the sale of the whole of the trust assets for such amount as shall be sufficient to realize at least $6 in cash (American funds) for each outstanding common share after redemption of the preferred stock and payment of costs, etc. Any common shareholder would be able to receive instead of cash his pro rata share of the assets of the Trust remaining for distribution. This price of $6 has been fixed as "representing the fair market value at the present time."

It is pointed out that the Trust controls some 40,000 shares of the Saguenay common stock, and some 12,000 shares of the preferred. Indeed, as has been stated before in these columns, most of the preferred stock of North American Pulp has been exchanged for Saguenay preferred on a basis of $112 for each share of $100 par value, as representing the two years' dividends from April 1, 1917, to April 1, 1919. In order to facilitate the exchange the shares of the Saguenay will be subdivided into $10 shares, that is ten for one.

The "assets" of the Trust consist chiefly of preferred and common shares of the Saguenay Pulp & Power Co. Of the preferred 12,000 shares, and of the common 40,000, with par values of $1,200,000 and $4,000,000 respectively. These in themselves would not be sufficient — the total par value being only $5,200,000—to provide $6 a share for the 1,000,000 common shares of North American Pulp, but there are other assets not covered by the rather wide "blanket" mortgage of the Saguenay Pulp & Power Co.

The relations of the two companies, according to the latest figures that THE FINANCIAL POST could secure, are:

	Saguenay	Owned by N.A.P.
Preferred stock	$3,500,000	$1,218,500
Common stock	5,855,300	4,000,000
Total	$9,355,300	$5,218,500

Or roughly, the N.A.P. owns about one-third the preferred, and two-thirds the common stock.

The only means of revenue for N. A. P. is through dividend payments from the Saguenay.

The reason assigned for dissolving the Trust is in order to escape taxation in the United States, where it is chartered,—while as it is, a tax is paid in Canada for "excess" profits. The American connection, it is declared, is unnecessary now, as all the properties are located in Canada. This refers to the fact that about three years ago the Trust disposed of its only United States property in the form of the Tidewater Mills, producing paper. Its whole Canadian output has been limited to sulphate and ground wood pulp.

There is a feeling expressed by some shareholders that in fairness to them some statement should be made of the Saguenay earnings for the year 1920. So far as can be learned these are expected to run well over $4,000,000 and after allowing for interest and depreciation to show net profits of about $3,000,000 in place of $33,651 for 1919! Indeed the change-over will be a remarkable one, and would permit of dividends on the preferred exceeding 80 per cent., or on both preferred and common of well over 30 per cent.

Then there is some doubt as to where the $6,000,000 is to come from. Is there a syndicate in the offing ready to take the whole property over, perhaps through the purchase of the $5,500,000 bonds of Saguenay?

A mantle of mystery and lack of definiteness enshrouds this proposal, much after the manner of the plans of the British Empire Steel Corporation.

MONTREAL TRUST CO. MAKES NEW RECORD

Net Profits Amounted to $201,298—Surplus for Year, $90,777—Every Depart-

By Resident Representative.

MONTREAL.— The operations of the Montreal Trust Company for the year ended December 31, 1920, established a new high record. Net profits amounted to $201,298, compared with $175,722 for the previous year. Deductions included dividends at the rate of 10 per cent, amounting to $100,000; reserve for war taxes, $10,521; leaving a balance of $90,777 for the year. This added to the previous surplus of $59,935 brought balance earned carried forward to $150,712.

The statement shows estates and trusts under administration and trusteeships for the bond issues as at December 31, 1920, aggregating $375,269,466, an increase of $34,525,561 for the year. Every department and each branch office recorded a satisfactory increase. The old Board of Directors was re-elected with Sir Herbert S. Holt as president; S. J. Brown, K.C., as vice-president, and these, with E. L. Pearce, C. E. Neill and George Caverhill, form the Executive Committee.

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the first week of January amounting to 6,258 tons.

A Trust Company's Advantages:

1—Continuous Administration.
2—Constant Availability.
3—Experienced Control.
4—Expert Staff.
5—Impartial Policy.
6—Systematic Records.
7—Financial Responsibility.

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National Trust Company
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Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns.

REAL BANKING SERVICE

All branches of this Bank are in a position to give the most comprehensive Banking service.

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Three and One-half

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Old Standard to be Raised—Must Pay Production Tax

OLD RIVALS BACK

With Government Sale of Liquors and Wines at French Strength Allowed to be Imported

By Resident Representative.

MONTREAL.—Holders of breweries' stocks are looking with some anxiety Quebec-wards these days. A month or so ago the horizon looked very bright for National Breweries and Frontenac Breweries, because the Premier of the province had indicated that something stronger than 2½ per cent. beer was going to be permitted to be manufactured and sold in this province. That is, manufactured and sold with the smiling assent of the law. There seems to be some doubt in some quarters as to whether the brand here that is being made and sold is not a little stronger than a strict analyst, who was a chemist, rather than a human being, would allow under the existing law. In any case, it was clear that the law was to be changed so as to allow a much stronger brand of beer, the regular pre-war standard, to circulate in every direction in the province. At this shareholders of the breweries' stocks saw a very bullish argument for increased sales. It seemed that this would tend still more to reduce the consumption of liquor.

Two new factors, according to reports THE FINANCIAL POST has received from Quebec, do not indicate quite as triumphant a future for these companies' stocks as was indicated a few weeks ago. The Government has already announced, possibly as a feeler in regard to public opinion, that a Government system of sale of liquor will be instituted. At the present time there is not the free sale of these liquors that many strongly desire. Sooner than swallow the wry concoctions that some of the bootleggers carry the thirsty man has, perforce, to turn to beer. Now it is argued by those who are taking a rather bearish attitude that under Government control the sale of liquors will come back again and lessen the sale of beer, which, during the past year and a half, has assumed tremendous proportions.

It is also stated that on good authority the importations of wine from Europe will be permitted in all their European strength in the place of the maximum of ten per cent., which was supposed to have been the law up to the present time.

The second factor that may influence the prices of securities in these lines is that there is a feeling among some of the members of the Provincial Cabinet, it is declared, in favor of a heavy tax on the enormous profits that, it is admitted, the breweries have been making. Latterly, a large export trade, to markets previously held by United States breweries, has been developing, although the moratorium in Cuba checked that to a considerable extent. The tax under discussion at Quebec is said to relate to one on each gallon produced, a sort of "excise" tax, collected, however, by the Provincial Government. This, it is argued, may serve to check profits.

The situation has items of consolation for the bull and the bear.

GRAIN IN STORE

The quantity of grain in store at the different public elevators at the end of the year, according to figures compiled by the Dominion Bureau of Statistics, has increased by 5,445,837 bushels, as compared with the week ending December 24. Increases are shown in wheat of 1,705,438 bushels; oats, 2,248,600 bushels; barley, 1,205,166 bushels; flax, 278,535 bushels, and rye 8,098 bushels.

SPANISH RIVER

In connection with the Riddell-Latchford timber limits inquiry which was continued this week, an interesting bit of information was supplied by Shirley Denison, K.C., investigating counsel, to the effect that a grant of 5,500 square miles of pulp limits to the Spanish River Pulp & Paper Company had been arranged for in September, 1919, prior to the provincial election. He added that the paper company was now trying to get confirmation of this grant from the present government. The hearing on this new phase of the inquiry was postponed.

Wyoming is now the important crude oil-producing State in Rocky Mountain Region. Its annual production first became important in 1912, when about 1,570,000 barrels were produced, while in 1919 production was almost 13,630,000 barrels, and in 1920 it will probably reach 17,000,000 barrels.

PULP INDUSTRIES TO EXPAND

Important Extension Plans Contemplated for Port Arthur District

PORT ARTHUR.—Important extensions are planned by the managements of several pulp and paper companies operating in this district. The Provincial Paper Mills Company, which was recently awarded a large timber limit, and is now assured of ample supplies of raw materials for years to come, will double its present pulp output, and will enter upon the manufacture of paper on a large scale. It is understood also that the Shuniah Pulp & Paper Co., Ltd., has successfully completed plans for a 100-ton pulp proposition, and it is expected an expansion of the Kaministiquia Pulp & Paper Company will be announced shortly. If all these extensions go through employment will be provided for an additional 1,000 men in this city.

HIGHER RATE FOR PORTO RICO 'PHONE

Shareholders Get Two Per Cent. on Common Stock for Last Quarter of Year

By Resident Representative.

HALIFAX.—Shareholders of the Porto Rico Telephone Company were gratified this week to receive a dividend of two per cent. on their common stock for the last quarter instead of the customary one per cent. This is what also happened on the last quarter of the year before. The company gives no explanation of the additional one per cent. beyond the mention of the fact that it is "additional from the earnings of 1920." The checks come in American funds, so that Canadian shareholders have an advantage which is appreciated. Some time ago it was proposed to form a huge Spanish-American Telephone Company of which Porto Rico would form an important part but nothing has been heard of this in recent months and it may have been abandoned for the time being at least. It may have been decided that the present is not an opportune time to attempt to put such a scheme through and the promoters of it may simply be biding their time. At all events the Porto Rico Company appears to be in a prosperous condition.

BRITISH-AMERICAN OIL IN DEMAND

Makes First Appearance in Unlisted Department of Toronto Exchange

A new oil stock, that of the British American Oil Co., Ltd., made its first appearance in the unlisted department of the Toronto stock exchange this week. This security immediately sprang into prominence and under the stimulus of a heavy demand advanced from 32 to 36½, par being $25. This activity is in part due to the improved sentiment on behalf of the oil stocks generally arising out of important discoveries in the Canadian West, but may be largely accounted for by the fact that this company is contemplating an extensive expansion of operations. The company recently purchased the business and assets of the Winnipeg Oil Company, and it has in addition large areas of oil leases, including 320 acres situated on the Mackenzie River.

British American Oil has authorized capital of $10,000,000, of which $5,500,000 has been issued. Dividends have been paid at the rate of 8 per cent. since 1909. There are no preferred stock, bonds or debentures. The head office is located in Toronto, and the company has branches in Eastern Canadian cities. In the recent acquisition of the Winnipeg Oil Company scope is provided for the extension of operations throughout the West.

LABOR LEADER DYNAMITED

Loses Favor With Men Because he Discourages Strike

WILKESBARRE.— The store and home of James A. Joyce, Pittston merchant and leader of the miners of the Pennsylvania Coal Company, was wrecked and several other houses were badly damaged at 4.30 o'clock this morning by an explosion of dynamite. No one was injured.

Four men have been arrested by the police, who believe the dynamite was placed by miners angered at the stand that Joyce has taken in the present strike situation.

Joyce led the miners to victory last fall and they are now getting more money than ever before. His recent policy has been to restrain the men from striking. Last night at a meeting of the general grievance committee he fought a strike demand made by radical insurgents.

NEW BRUNSWICK LABOR RADICALS FOR COLLECTIVISM

Red Element in Federation Of Labor is Active

DO THEY MEAN IT?

St. John "Times" Says Federation Has Declared for Social Revolution Party

By Resident Representative.

ST. JOHN.—That our present economic and social system should give way to collectivism, is the opinion of the New Brunswick Federation of Labor, which has passed a resolution on the subject of a rather unexpected character. St. John papers have been rather startled by the declaration of the Federation, which has been regarded as a conservative body. The resolution which was adopted unanimously—though one delegate objected to it, "as being socialistic, or communistic, or at all events, too Red"—reads:

"Whereas the workers of Canada have produced more value than their wages allows them to buy back again, and for that reason our social and economic system should be changed so that we could own and produce collectively for use and not for profit as we are now doing. Therefore, be it resolved, that we call upon our Federal, Provincial and Civic Governments to have this matter of unemployment investigated with a view to having the above mentioned system made effective, and be it resolved further that, owing to the time that will be required to have said investigation made, that the N.B. Federation of Labor call upon the aforesaid Governments as well as the employers of labor to do their utmost in promoting employment wherever possible."

Under the caption: "Do they really mean it?" the St. John Times says:

"The New Brunswick Federation of Labor has declared itself in favor of an independent labor party pledged to a social revolution which would amount to Communism. To "own and produce collectively for use and not for profit" is the very antithesis of the industrial and social system which now prevails. One wonders if all the men who voted for a system which would rob them and their children of every incentive in life really grasped its full meaning. Under such a system the greatest benefit would be to the shirker. Ambition would cease, invention and initiative would have no attraction for men, and a dead level of mediocrity, tending downward rather than upward, would be reached. The worker of to-day knows that his son may achieve great success in life. Under the collective system he would be robbed of that opportunity. Those who dream dreams about an ideal system do not reckon with the most important factor, which is human nature, and human nature under the collective system would be in no degree different from what it is to-day. If the labor party in New Brunswick really means what the federation has declared, it is the most radical element in the Dominion, and it can have no possible point of contact with the farmers or any other persons who believe in the principle of individual ownership."

ARMOUR CO. HAD TO DRAW ON RESERVES

Net Income Represents But 2.4 Per Cent. Return on Average Net Capital

Only by drawing on reserves accumulated by their foreign connections were Armour and Company enabled to show a net profit as a result of their 1920 operations, according to the annual report of J. Ogden Armour, president of the company, which he presented at the annual meeting of stockholders yesterday.

The statement discloses that while the company's total sales approximated $900,000,000 for the fiscal year 1920, that portion of it which represented sales in and exports from this country resulted in losses aggregating many millions of dollars. In view of these losses, Armour and Company found it necessary to draw upon the reserves of their foreign connection to show a net profit of $5,319,975.44. That net income represents but 2.4 per cent. return on the average net capital investment of $231,000,000.00, but even that small earning is considered a good showing in a year when almost every enterprise facted the greatest financial difficulties of a generation.

The report discloses that $13,600,000.00 was spent for equipment and to enlarge operating facilities so that manufacturing operations of the company can be conducted at the lowest possible cost. Concerning the last year's business Mr. Armour said:

"The falling market during the past year made profits almost impossible. The public had refused to buy until price reductions were made and profitable prices on perishable products could not be obtained under such circumstances.

"Never was the importance of consumptive demand upon prices better illustrated. Receipts at the principal stock yards were not quite up to normal, but despite prices that were too low to suit producers, and despite the best efforts on the part of the packers to make a profit, our business in this country was conducted at a loss."

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ALGONQUIN PARK IN WINTER

There is an increasing desire among many city people to escape from the cares of housekeeping, and of life in the large centres, and seek the hospitality and good cheer to be found at the resort hotels. The Grand Trunk Railway System is meeting this desire in keeping open its famous hotel in the Algonquin Park of Ontario, "The Highland Inn." This hotel is easily accessible through Ottawa or Toronto, and offers warm, cheery private and public rooms. Excellent cuisine and the companionship of guests who have a common aim—to enjoy the healthful winter sports and invigorating climate that the great unspoiled wilderness of Algonquin Park affords. For rates, etc., apply to N. T. Clarke, manager, Highland Inn, Algonquin Park, Ont., or to any Grand Trunk agent.

WINTER SPORTS—ALGONQUIN PARK

The splendors of winter and the opportunities for the enjoyment of all winter sports are found in that wondrous territory—Algonquin Park. Two hundred miles north of Toronto and one hundred and sixty-nine miles west of Ottawa, it is easy of access. "The Highland Inn," a most comfortable hotel, owned and operated by the Grand Trunk, offers first-class accommodation at reasonable rates. Two thousand feet above sea level assures an invigorating climate. Attractions—snowshoeing, skating, tobogganing, skiing, driving and fishing through the ice. If you are run down or need a change this is the spot for you. An illustrated booklet telling you all about it sent free on request. Apply to Mr. N. T. Clarke, Manager, Highland Inn, Algonquin Park, Ont., or to any Grand Trunk agent.

According to figures of R. G. Dun & Co., commercial failures in 1920 totaled 8,831 for $287,772,471, as against 6,451 failures for slightly more than $113,000,000 in 1919.

SILVER MINES ARE NOW FACING BETTER THINGS

Labor Costs Being Adjusted to More Healthy Levels

THE POWER OUTLOOK

No Further Curtailment of Operations Should Be Necessary—More Activity on Standard Exchange

By Resident Representative.

COBALT.—The turn in the tide for the silver mines seems near at hand. The consensus of opinion is that no further curtailment will be necessary because of the power situation. There are some, especially some of the miners' leaders who contend that much of the "slowing up" already in force was not necessary but was just a move to cut wages. Be that as it may, the wages have been adjusted lower, though not effective for a month yet, and this will result in quite a cut in costs. The result is going to be that mines which are today producing silver at a cost equal to the price of silver, will with the wage cut and the premium on U.S. funds, be able to make a fair profit. This condition should not keep the closed mines idle for long.

Some such similar action is to be expected in the gold and nickel mines. The Porcupine gold camp can stand the cut much better than any other because of the low cost of foodstuffs at the company stores. In the other centres costs are still high. The gold mines could stand a cut in costs. They have labored long through a period of development the cost of which was abnormal and which really retarded progress on many properties. Lower costs would certainly cause a material increase in Ontario's gold output.

Exchange More Active.

And there are those who see a cut coming as evidenced by the activity in the Standard Stock Exchange. Both the gold and silver have made material increases during the past couple of weeks. Undoubtedly the payment of a million and a quarter in dividends this month, is in a measure responsible for this enthusiasm.

Right now the tonnage handled at Porcupine is lower than for some time. The decline as compared with December, 1920, is estimated at one-third. The figures this month are running, Hollinger 1,500 tons, McIntyre 300 and Dome 500. The North Crown's mill is not running.

The Trethewey has another good sized high grade shipment coming out from Gowganda, 378 bags in all. It is the largest shipment made since the starting of operations on the Castle property.

The Miller Lake O'Brien is also making up a car, partly high grade and partly concentrates.

New Vein on La Rose.

A new two-inch high grade vein has just been discovered on the La Rose's University property. It is believed to be a western extension of a vein previously developed.

Much interest attaches to the visit of Major J. M. Bell to England. He is going there to confer with interests controlling the V.N.T. and the Keeley Silver Mine in South Lorraine. On his return interesting announcements involving the two properties are expected. As to the V.N.T. he will lay before them the proposed merger details whereby the V.N.T. and North Crown would amalgamate.

The Keeley mine was closed down just when a great period of development was being entered into. Ore containing several hundred thousand ounces of silver had been developed, and the old Trethewey mill had just been installed and ready to go. Labor was scarce and costs were high and so operations stopped. Major Bell is expected to announce on his return that when Spring breaks, work on the Keeley will go ahead full swing. The success this mine has achieved will undoubtedly couse several other South Lorraine properties to again operate. One of these that has already started is the Haileybury Frontier property. The veins on this property are decidedly rich in Cobalt. Silver values are low and are really a by-product.

To Resume Operations.

It is understood that Buffalo interests controlling the Boston-McCrea are making plans to resume operations. This property is at Boston Creek and spectacular gold showings were found on surface.

It is expected that the Camburn Mining Co. will soon announce an interesting program of operations on its Waldman property. The northern part of this property lies up against the Provincial and has never been developed. Here there is an estimated depth of 250 feet of conglomerate rocks, the largest unexplored body of its kind left in the Cobalt Camp, and this formation has yielded approximately 85 per cent. of the total production of the Cobalt camp. An arrangement is being made to develop this property through the Provincial shaft. It has practically been determined that the Provincial main vein is faulted towards the north boundary of the Waldman.

Operations on the Lumsden are also decidedly promising. Much high-grade is being taken out of the various shoots opened up. These are short but it is believed that when the contact is reached a concentration of ore bodies will be discovered. The power shortage has delayed this interesting work.

COMPLETE SALE OF DAVIDSON LINES

An English Syndicate is the Purchaser—To Re-open March 1

Arrangements for the sale of the Davidson Consolidated Gold Mines Limited, to an English syndicate were completed at a largely attended meeting of shareholders in Toronto this week. The syndicate has already purchased 1,000,000 share of Treasury stock at 75 cents a share, and will buy the outstanding stock now in the hands of the shareholders at $1.18 a share, the money necessary to the deal to be paid by the end of March. It is intended to open this mine about the beginning of March with ample funds to carry on operations and to erect a 500-ton mill.

R. C. Fielding, consulting mining engineer, who recently examined the property for the English interests, read his report at the meeting. This was a proposition, he pointed out, of immense possibilities. Apart from the mines already opened there were great possibilities that further ore bodies of profitable grade awaited discovery. He suggested that as the ore bodies are likely to be disconnected, a bold policy of exploration should be instituted.

The financial statement of the company shows assets of $4,057,265, made up of plant and equipment, $74,401; developing expenses, $237,660; gold receipt since last meeting, $17,069, and property, $3,556,810. The liabilities total $57,260.

GOLDEN SUMMIT MINING CO.

Work Will Soon be Re-commenced on a Large Scale

A statement outlining the operations of the Golden Summit Mining Company, Limited, for the year ended December 31 last, shows total income amounting to $27,548, and total expenditure, $28,717. The issued stock of the company totals 1,511,512 shares, and the unlisted, 888,488 shares. President J. T. Kerr points out in his report that the company owns seven patented mining claims of 40 acres each, and in addition a farm of 160 acres recently purchased, for which the sum of $13,000 in cash has been paid, while a balance of $7,000 remains yet to be paid. Operations which had been commenced on the property last spring were discontinued in June because of the excessive cost of labor. When wages and commodities reach rock bottom, President Kerr declares it is planned to start work vigorously and on a large scale in order to make up for lost time.

MINING STOCK QUOTATIONS

Week ending Jan. 18.

	High	Low	Close	Sales
Adanac	2⅛	..	..	4000
Apex	2¼	2	2	4000
Atlas	18	15½	15½	3000
Bailey	4¼	3¾	3¾	6000
Beaver	33	30	32½	19600
Cons. Smelt.	19½	18	18¾	1930
Coniagas	2.10	1.50	1.60	2075
Crown Res.	18	16	16½	4300
Dome Ext.	50	..	..	100
Dome Lake	3½	3	3⅛	11500
Dome Mines	13.60	13.25	13.30	993
Gold Reef	3½	3¼	3½	24500
Hargraves	2½	2	2	4000
Hillcrest	62	..	..	10
Hollinger	6.30	5.90	6 20	5610
Hunton	9	8½	9	5500
Keora	25	19½	24¼	163200
Kirk. Lake	51	46	47½	14600
La Rose	34½	29½	33	13200
Lake Shore	1.23	1.07	1.23	9750
McKinley	30	28	28	3600
McIntyre	1.85	1.81	1.85	5860
Min. Corp.	1.14	.95	.95	1233
Moneta	11	10½	10½	3400
Nipissing	9.00	8.75	8.95	355
Peter. Lake	12	11	11½	11800
Porc. Crown.	22	18½	22	17500
Preston	2⅝	..	..	500
Schumacher	22	20	22	7700
Teck Hughes	12	11¼	12	25600
Timiskaming	25½	25	25	13500
Thom. Krist	7½	7¼	7½	16000
Trethewey	20½	18½	20½	51900
V. N. T.	22	20¼	21	18850
West Dome	9	7	8¾	50400
West Tree	6	5	5	9000

LAKE SHORE AND NIPISSING ACTIVE

Former Turns Up a New Body of Ore and Latter Completes Excellent Year

By Resident Representative.

COBALT.—Two big mines, Lake Shore and Nipissing, have come into prominence of late. The former because of a recent development of a tremendous large ore body which some enthusiasts describe as "wonderful" and the Nipissing because of the excellent report for December, the last month of the old year. The report brings this great silver producer to the zenith of its production.

"The ore body on the Kirkland Lake mine will open the eyes of the world to the importance of the Kirkland Lake Camp," is the way one mining paper described the new find on the Lake Shore.

The discovery is really the development of a known ore body, vein No. 2. A drift to open it was run for 2,000 feet under the bed of Kirkland Lake and three quarters of this long cut was in ore. To get an idea of the values it is only necessary to state that the mill has been running on development ore and that the average for the past year has been $25 a ton. The width of the body is given as from five to forty feet.

The vein in question holds promise of 1,000 feet more development. The west face is 900 feet from the Teck-Hughes line and as far as opened up is showing in excellent ore.

The mill capacity is to be increased to 100 tons by spring.

The Nipissing output for December was over a half million dollars, which is the record of its career. It is estimated that the mine's gross income last year was $4,000,000. The premium on U.S. fund was a great aid. The increase over the mine's previous best year is about 10 to 15 per cent. or somewhere around what the exchange has been.

As for development work, the Nipissing did not achieve great progress during the year. The shortage of labor retarded this.

TAXES ON BUSINESS

The Excess Profits Levy is Generally Condemned

NEW YORK.—At the second National Industrial Tax Conference held in New York in October a tentative report on taxation submitted by a special tax committee was discussed and sent back to the committee for further consideration. The committee has now submitted a second report which in the main follows the lines of the first report. This report will be widely circulated and will be taken up formally by the third National Industrial Tax Conference to be held in New York on January 21 and 22.

The new report differs from the tentative report mainly in the stronger emphasis laid on the importance of retrenchment in the Government expenditure. As in the first instance the committee asserts that the excess profits tax should be abolished entirely because it diminishes productivity, calls for complex administration, is discriminatory and encourages extravagance in the conduct of business.

THE MILLING INDUSTRY

Capital Invested is More Than Seventy-six Millions

OTTAWA.—The Dominion Bureau of Statistics has just received a report on the flour milling industry. It shows that there are 1,255 plants, 588 of which are in Ontario and 428 in Quebec. The total capital invested in the industry is given as $76,411,423, of which over half is in Ontario.

The total number of employes was 7,401. The total disbursement for wages was $8,083,270, and for fuel and miscellaneous expenses $9,870,930. The total daily capacity of the mills was 141,288 barrels per 24 hours.

The total cost of materials used was $229,827,851, including $178,900,649 for wheat. The total selling value of the products at the mill was $262,763,392.

MONTREAL TELEGRAPH

At the annual meeting of the Montreal Telegraph Company, Wm. McMaster was re-elected president and W. R. Miller, vice-president. The retiring directors were re-elected as follows: R. MacD. Paterson, Henry E. Rawlings, F. W. Molson, Wm. McMaster and W. R. Miller. In the report of the directors the assets of the company are given as $2,315,487, of which $163,663 is cash. This company is operated by the Great Northwestern Telegraph Company. The company continues free from debt and encumbrance.

"Wall Street Journal," Jan. 11, publishes an article under title, "Last Year a Memorable One for Auto Industry." States that despite retrenchment total output of about 1,215,000 passenger cars and trucks in 1920 established a new high record.

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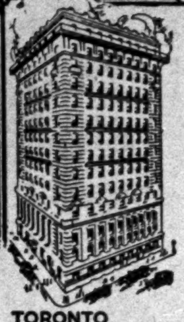
52

ESTABLISHED 1872



THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

THE STANDARD BANK OF CANADA
Quarterly Dividend Notice No. 121

A DIVIDEND at the rate of Three and One-Half Per Cent. (3½) for the three months ending 31st January, 1921, has been declared payable on the 1st of February, 1921, to Shareholders of record as at the 17th of January, 1921.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 23rd of February next, at 12 o'clock noon.

By order of the Board,

C. H. EASSON,
General Manager.

Toronto, December 15th, 1920.

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
Accounting and Auditing for Municipal Corporations
LUMSDEN BUILDING
TORONTO

MONEY BANKING AND EXCHANGE

CANADIAN FUNDS NOW TO APPLY ON FREIGHT CHARGES

New Ruling on Prepayment Issue Instituted by U.S. Railroads

END CONTROVERSY

Payment May Be Made in Canadian Funds—Surcharge Of 60 p.c. of Prevailing Exchange Rate Added

An order respecting freight charges on goods moved to and from Canada across the international border, which is planned to make an end of the controversy and confusion that had been precipitated by the decision of the American railroads to require payment of freight on all shipments to and from Canada in American funds, has been issued by the Board of Railway Commissioners at Ottawa. Under the new ruling which has been approved by all Canadian railroad companies and a number of American lines which extend into Canada, payment of freight charges may be made in full in Canadian funds in Canada, with the understanding, however, that a surcharge of sixty per cent. of the rate of exchange prevailing during the period will be added to the total through charges, including advanced charges payable to the United States' carriers, when such charges are payable and controlled in Canada. When all charges are paid at United States points and in United States funds this surcharge will not be added.

It is further provided that on shipments from Canada the surcharge must be collected at the rate governing on the date of the bill of lading, and on shipments to Canada at the rate governing on the date of arrival at the Canadian destination. Telegraphic advice will be sent to the railway agent in Canada on the last day of the month specifying the surcharge to be collected from the first to the fourteenth inclusive of the following month; and on the fourteenth day of each month specifying the rate to be collected from the fifteenth to the last day of such month. The rate of exchange on New York funds quoted by the Bank of Montreal on the days on which notices are sent to the agents will be the rate that shall prevail throughout the semi-monthly period.

Chief Commissioner F. B. Carvell, in making his report on the ruling of the board, outlined the progress of the controversy on the freight question that brought about this decision. The action of the American railway companies in demanding payment of freight on international traffic between the two countries in the United States and in United States' funds had worked injustice to the Canadian importer and exporter. There arose a demand from all classes of business men that the Canadian end of the haul should be paid in American funds. This was vigorously opposed, however by the Railway Association and all the railway companies on the ground that shippers both ways would naturally forward their goods by that route, the longest possible portion of which would be in Canada. In other words the American roads would be short-hauled in practically every international transaction in Canada, and it was argued that in a short time it would result in the disruption of the whole international rate structure which had been laboriously built up during the past thirty-five or forty years.

Fair Surcharge

Referring to a recent conference on this subject between the railway board and the railway companies he pointed out that the principal discussion developed as to what would be a fair surcharge to be added to the rate which would place the Canadian railroad in a position to receive payment of the whole charge in Canadian funds and pay the American share of the American connections in American funds. He adds:

This arrangement will also apply to the American roads, which, while not compelled to send their freight forward collect, we are assured will do so because they will hold the Canadian railroads responsible to repay them their share in Canadian funds, and arrangements are now being made by the Canadian roads to have these goods forwarded collect, thus giving both the Canadian importer and exporter the right to pay the whole freight rate on international business in Canadian funds. It is quite evident that the Canadian road which has a short Canadian haul and a long American one is at a disadvantage but it was frankly admitted that whatever was done must be on a broad principle of averages, and therefore some roads as well as some communities must be benefited to a greater extent than others.

While these arrangements are not perfect yet, in my opinion it is the best solution of the problem so far advanced by any person, and I feel sure it will grant a full measure of relief to the business interests of Canada.

STERLING CONTINUES UPWARD MOVEMENT

Rate of Recovery Will Depend Upon World Conditions—Francs Firmer

In the exchange markets sterling continues to move upward, reaching a quotation of $3.76 on demand this week. The appreciation for the week netted 2¾ points, the market opening at $3.73¼. The movement has been steadily upward since early in November when sterling was quoted at $3.33, this week's high therefore showing an appreciation of 43 cents in that time. Much interest has centered in sterling of late, and there is keen speculation upon the chances of this exchange returning to par. There is little doubt that sterling will eventually come back, but the rapidity largely depends upon world conditions. Francs were steady and firmer as well. New York funds fluctuated within a comparatively narrow range, but the tendency was mainly downward. The following table shows the quotations in sterling, francs and New York funds:

New York Funds

Jan. 13.—New York funds opened at 15, sales at 14 9-16, 14⅝, up to 14¾, 14⅞, 14 1-16 at close.

Jan. 14.—Funds opened at 14½, with sales at 14, 14¼, 14⅜, 14½ at close.

Jan. 15.—Funds weakened in a dull market. Opened at 14½, sold down to 14¼, 14 and 13 15-16 at close.

Jan. 17.—Opens at 14 bid, moved steadily up to 14½, reaching to 14¼ and 14⅜ at close.

Jan. 18.—Market turned weak. Quotations for the day, 14⅜, 13 15-16, 14, 14⅛ and back to 14 at close.

Jan. 19.—Funds opened at 14 bid, transactions at 14⅛, 14, 13⅞ and 13 15-16.

Sterling and Francs

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Jan. 13	$3.73¼	$3.74	16.52	16.50
Jan. 14	3.72½	3.73¼	16.38	16.36
Jan. 15	3.72¾	3.73½	16.43	16.41
Jan. 17	3.75	3.75¾	16.21	16.19
Jan. 18	3.76	3.76¾	15.89	15.87
Jan. 19	3.76	3.76¾	15.84	15.82

BANKS PROTECTED BUSINESS IN CANADA

Bank of Toronto Officials Explain How Readjustment Was Handled

At the annual meeting of the Bank of Toronto the name of J. D. Chaplin, M.P., St. Catherines, was added to the Board of Directors. This was done after the enlargement of the board from twelve to fourteen members had been authorized. Regarding the general business situation, General Manager Thomas F. How expressed the opinion that the rapid readjustment in prices had been perhaps carried too far in some instances but he believed that generally speaking a healthy and reasonable condition of business was being reached which was in the best interests not only of the banks but of all classes in the community. The fact that we were working away from war-time government regulations and restrictions was also well regarded by Mr. How.

President W. G. Gooderham also referred to the readjustment of prices and pointed out that it had been the policy of the banks to have this take place as gradually as possible so as to relieve the strain on business. In the United States pressure had taken a more vigorous form and there had been forced sales on a large scale as the result. In Canada the situation might have been more serious had the banks not handled things so prudently.

Weekly Bank Clearings

(In comparison with same week last year)

(Eastern Cities)

	Jan. 13, 1921.	Change.	%
Toronto	$108,146,521 +	$16,255,374	17.6
Montreal	124,156,918 —	8,640,732	6.5
Ottawa	7,989,101 —	691,121	7.9
Hamilton	6,136,713 —	754,859	10.9
Quebec	6,962,822 +	348,299	5.2
Halifax	4,404,472 —	522,418	10.6
London	3,138,483 —	1,701,388	35.1
St. John	3,278,341 —	86,560	2.5
Windsor	2,868,398 +	643,915	28.9
Brantford	1,560,573 +	269,995	20.9
Kitchener	935,465 —	170,752	15.4
Sherbrooke	1,344,185 +	319,856	31.2
Peterboro'	971,457 +	126,159	14.9
Total	$271,893,449 +	$ 5,395,768	20.2
Moncton	870,485		

(Western Cities)

	Jan. 13, 1921.	Change.	%
Winnipeg	$ 58,769,373 +	$11,333,990	23.8
Vancouver	14,326,344 +	531,930	3.8
Calgary	8,459,340 +	110,380	1.3
Edmonton	4,709,895 —	849,092	15.2
Regina	4,164,182 +	13,757	.3
Victoria	2,541,198 —	251,747	9.0
Saskatoon	1,975,446 —	119,447	5.7
Moose Jaw	1,696,442 +	123,239	7.2
Fort William	973,181 +	270,524	38.5
Lethbridge	745,948 +	1,111	.1
Medicine Hat	504,200 —	35,046	6.5
Prince Albert	407,112 —	124,536	20.3
New Westminster	511,220 —	81,628	13.7
Total	$99,783,876 +	$10,923,435	12.2
Grand total	$371,677,325 +	$16,319,203	4.5
Yr. to date	$750,965,656 +	$57,403,769	8.2

OPPOSED TO BARTER BETWEEN NATIONS

Banker Would Preserve Machinery to Facilitate International Trade

Discussing trade conditions throughout the world following the upheaval caused by the late war, Beaudry Leman, general manager of the Banque d'Hochelaga, opposed the establishment of a system of barter between nations in order to develop international trade, despite the financial stringency now existing in many countries. Shall the world have been educated to the universal use of instruments of credit, he asks, only to revert to a system whereby machinery is exchanged against foodstuffs, wood against clothing, and clothing against fuel? Under existing conditions, he added, gold cannot fulfill its functions of settling international balances, and has a trying time in trying to prop up the fiduciary circulation in a large number of countries. It will take some years before gold is able to overtake the demand for its services, but the readjustment would come if caution was preserved. Time was a necessary factor in the solving of the financial problems of the world, as the following figures indicate:

At the beginning of the war the fiduciary circulation of paper money amounted to $7,000,000,000—it is now over $56,000,000,000—the total debt of nations in 1912 was $40,000,000,000—it is now about $270,000,000,000; in 1913, circulation was covered by a gold reserve amounting to 70 per cent., which now does not exceed 12 per cent.; interest on the total national debts exceeds annually $9,000,000,000—against $1,750,000,000—immediately before the war.

FIFTIETH ANNIVERSARY

To be Celebrated by the Dominion Bank This Week

The fiftieth anniversary of the establishment of the Dominion Bank will be celebrated next week on Tuesday prior to the annual meeting of the bank's shareholders on Wednesday, when the annual report will be presented. To mark the unique event a banquet has been arranged at which use will be made of the moving picture camera to portray the many activities of the bank in various fields.

Johnson & Ward, the Montreal firm which came into prominence a few days ago through their heavy transactions in Montreal Power and Brompton, have extended their activities to the Toronto Exchange, having purchased one of the two seats held by the Toronto firm of Duncanson, How & Company.

Assessment System
The Canadian Order of Chosen Friends
A Pioneer in Successful Canadian Fraternal Societies

Features:
Whole Family Life Insurance.
The best Sick and Funeral Benefits.
An up-to-date Juvenile Department.

Full particulars gladly furnished by corresponding with
W. F. Campbell, Grand Organizer, Hamilton, Ont.
J. L. Davidson, Grand Councillor, - - Toronto
W. F. Montague, Grand Recorder, - Hamilton

THC

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STERLING SECURITIES
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Buying and selling quotations furnished.

Inquiries invited.

Truax Higgins Co.
LEWIS BUILDING MAIN 3669-3670
MONTREAL

Long Term Bonds

A personal review of the reasons why these should be bought now will be interesting and profitable to investors.

Security—then Profit.

A. ANGUS MACDONALD & CO.
C.P.R. BLDG. TORONTO

The Toronto General Trusts Corporation

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE TORONTO GENERAL TRUSTS CORPORATION WILL BE HELD AT THE HEAD OFFICE OF THE CORPORATION, AT THE CORNER OF BAY AND MELINDA STREETS, IN THE CITY OF TORONTO, ON WEDNESDAY, THE 2ND DAY OF FEBRUARY, 1921, AT 12 O'CLOCK NOON, TO RECEIVE AND CONSIDER THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED 31ST DECEMBER, 1920, TO PASS AND CONFIRM BY-LAWS, TO CONSIDER AMENDMENTS TO EXISTING BY-LAWS, AND TO ELECT DIRECTORS FOR THE ENSUING YEAR AS WELL AS FOR THE TRANSACTION OF SUCH OTHER BUSINESS AS MAY BE BROUGHT BEFORE THE SHAREHOLDERS.

BY ORDER OF THE BOARD OF DIRECTORS,

A. D. LANGMUIR
General Manager.

TORONTO, January 18th, 1921

THE
NATIONAL CITY COMPANY
Limited

Bonds and Investment Securities

Canadian Advisory Board:

RT. HON. LORD SHAUGHNESSY, K. C. V. O., *Chairman.*
SIR JOHN AIRD, EDSON L. PEASE,
MARTIAL CHEVALIER, SIR AUGUSTUS NANTON
SIR LOMER GOUIN, K. C. M. G. W. N. TILLEY, K. C.
LT.-COL. HERBERT MOLSON, C. M. G., M. C.

Canadian Head Office:
74 Notre Dame Street West, Montreal.

10 King Street East, Toronto, Ont.
McCurdy Building, Halifax, N. S.

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

53

NEWS AND VIEWS FOR MANAGERS

BANKS ARE NOT RESERVOIRS OF MONEY OR CREDIT

Some Reasons Why Bank Managers Are Growing Grey

CUSTOMER'S RIGHTS

Dry Goods Economist Tells Us That They Must be Reasonable in Their Demands On Their Bankers

Some points with which the merchant and the manufacturer should be acquainted for the better understanding of the policy of the banks are given in the following article from the "Dry Goods Economist." This publication holds no brief for the banks, but it evidently believes that in the mercantile and industrial world there should be a better understanding of the functions of the banker. The arguments apply to business in Canada as well as in the United States, and they could be effectively used by the branch manager in emphasizing to his customers the reasons why commercial credits have been curtailed.—J.W.T.

There seems to be a widespread superstition that the banks are in some mysterious way the creators of money and credit, that they are inexhaustible reservoirs of money and credit to which the business man should have free resort whenever he needs accommodation for legitimate purposes and that their refusal to extend credit for legitimate purposes can be due to nothing but sheer cussedness or selfish consideration for their own profits.

Banks' Powers are Limited

It is true that banks, like other business institutions, are not entirely free from either cussedness or selfish consideration for their own profits. But it is a cardinal mistake to suppose that the banks have unlimited control over credit and capital. In fact they are nothing but intermediaries between the lenders and the borrower, and the amount of credit or capital in which they can deal is conditioned upon variations of supply and demand in goods.

The actual amount of capital with which the banks can do business is the depositors' funds. These are the savings of the country, and represent the excess of production over consumption. They are the basis on which the superstructure of credit and currency must rest, and since they represent goods it is obvious that the real basis of credit and currency is the amount of goods they represent.

But although capital and credit have value only in so far as they are redeemable in goods the relations of supply and demand fluctuate so much so constantly that any attempt to restrict the supply of credit and capital to a certain volume of goods at the value represented by bank deposits would be impracticable. In order to meet the constantly fluctuating demand for credit and capital the banks must adapt their accommodations to the basis of the actual or prospective value of goods in existence or to be produced.

In other words the banks do not control credit conditions, but are altogether controlled by them. They may overestimate or underestimate the value of the security on which the accommodation they grant is based, but it must be based on their estimate of the value of such security, since all forms of capital—gold, currency and credit—must ultimately be redeemable in goods and possess value only to the extent that they are so redeemable. So long as this condition is observed there is no limit to the expansion of credit and currency, but as soon as it becomes apparent that the underlying values are insecure then expansion must stop and there must be deflation to a point of reasonable security.

Destruction of Capital

Now normally capital employed for business purposes more or less automatically renews itself. It is either liquidated by the distribution of goods or as in the case of capital invested in machinery—it creates new capital. So that normally the contraction and expansion of capital is a more or less automatic process, determined by the fluctuations of supply and demand in commodities and services, and therefore it is comparatively easy for the banker to adapt himself safely, as he must do, to conditions as he finds them.

But an entirely abnormal situation arose in this country when we entered into the war. Capital normally used to carry on the business of production and distribution was taken in huge quantities and literally blown away. Billions of dollars of capital were used up in munitions and war supplies of various kinds. Nevertheless capital had to be found to carry on the business of the country and this meant a necessary expansion of currency and credit without any corresponding expansion of the productive activity on which it must be based.

Expansion of Loans

This naturally caused money to have less value in terms of goods, since there was being created a greater and greater volume of money in proportion to the volume of goods. In other words, prices rose, and accordingly as they rose there was an increasing demand for money and credit to finance the business of the country.

What the banks did was simply to respond freely—too freely perhaps—to this demand.

This was all right as long as values seemed likely to hold. But it became apparent as long ago as last fall that they had reached an insecure level. The level was insecure because it was conditioned largely upon a real or supposed shortage of goods and a great wave of post-war extravagance on the part of the public. As the production began to catch up on demand, as the wave of post-war extravagance began to ebb and as prices rose to a point at which the buying power of the public began to be exhausted it became evident that loans based on prevailing prices were not safe.

There was, consequently, nothing for the banks to do except to reduce the volume of loans to a point at which they would be reasonably safe. In pursuing this policy the banks have simply been doing what they are in business to do, namely, to use their depositors' money as the basis of loans and credits on security which in their judgment is sound.

They could not do anything else. Like other business men they have been to a large extent mastered by conditions. And like other business men they have made mistakes. But in any case they did only what other elements in the business community did—made the most of the conditions as they found them—and they showed at least foresight enough to realize in advance of other elements in the business community the necessity for applying a check to the progress of inflation.

BANKS AS AN AID IN STOCK RAISING

United Farmers' Guide Refers To Value of Loans in Building Up the Industry

An acknowledgment of the cooperation being rendered by the banks in the financing of stock raising is made by the United Farmers Guide, which declares that four years' experience has shown the amendment to the Bank Act permitting loans of this kind "have been of great value in promoting the livestock industry." Prior to 1916 the banks could only lend upon live stock when owned by wholesale purchasers, dealers or shippers. In regard to the changed conditions since, the Guide says:

> An official of one of the leading banks told "The Guide" recently that it had been one of the most useful additions ever made to the Bank Act. There had, he said, been cases at every branch of his bank where they had been able to help farmers get into livestock, when this would not have been possible if they had not been permitted to take security on the animals. Some farmers are in such a position that they can get the line of credit they require without giving security on their cattle or horses, but there are many others who have been able to obtain loans by pledging their livestock when they would not otherwise have been given accommodation. In some cases loans are made on the security of livestock when the money is required for purposes other than stock-raising. The chief advantage of the provision, however, has been in enabling the banks to make loans to farmers for the purpose either of buying feeders and fattening them for market, or of improving their herds by the purchase of good breeding animals. In both of these ways the banks in the past few years have undoubtedly given very considerable assistance to farmers, with advantage to the banks, the farmers and the country generally.

The charge is so often made that the banks exist largely for the purpose of taking deposits from the farmers and loaning them to big business that branch managers, particularly in farming and stock raising communities, should make a note of this acknowledgment of the mouthpiece of the big agrarian organization.
—J. W. T.

NOVA SCOTIA

H. A. Richardson, general manager of the Bank of Nova Scotia, accompanied by W. D. Ross, leaves at the end of the month for a tour of inspection of the branches of the bank in Cuba and Jamaica.

VALUE OF GOLD MONEY SUBJECT OF BANK LECTURE

Professor Leacock in Second Series of Extension Course.

"INDEX" NUMBERS

Various Attempts to Estimate Changes in Purchasing Power of Gold—Automatic Movement

By Resident Representative.

MONTREAL.—The second lecture of the series of the Bankers' Extension Course at McGill University by Prof. Stephen Leacock dealt with "The value of gold money." Money itself was defined as "anything which actually and continuously serves as a medium of exchange." In primitive trading certain articles were widely acceptable for barter, such as salt, tea, tobacco, etc., but advancing civilization brought forth difficulties, and gold and silver came to be recognized as possessing more than any other commodities the requisite qualities of durability, portability, divisibility, cognizability, etc. The result was the evolution of coinage. The pound weight of silver was the basis among the Saxons and Normans, but the crusades brought gold in.

Real Meaning of $4.86 2-3

In defining coinage of to-day the lecturer stated that a sovereign means 123.27447 grains Troy of English Standard or Crown gold, that is, gold 22 carats, 11-12 fine. Thus a sovereign contains 113.0016 grains Troy of pure gold. One dollar (Canada or United States alike), contains 25.8 grains Troy of United States standard gold, 9-10 fine; hence one dollar contains 23.22 grains of pure gold and a sovereign is equal to 4.86 2-3 dollars. That is, there is 4.86 2-3 as much gold in a sovereign as in a gold dollar. That is all this means. The so-called mint price of gold of £3 17s. 10½d. has nothing whatever to do with the value of gold. All it means is that the mint bound itself to give that much for every ounce of gold, while the bank gave £3 17s. 9d. This indicates quantity only, not price. The price at which the present English depreciated paper money is exchanged for gold represents the depression of that paper money below the par value of gold.

Three-pints-in-a-quart Logic

Referring to the agitation among mining and other interests to have a change decreed in the price of gold, Prof. Leacock said they might as well have asked that it be decreed "that there are three pints in a quart of milk."

The "price" of gold is its purchasing power; its general ratio of exchange with other commodities. There is a rise and fall in the value of money as in general prices of commodities. This has no connection with the commercial phrase the "value of money," in the sense of "the rate of interest."

Money Work to be Done

The value (the purchasing power), of a standard gold coin is regulated ultimately as other commodities. In the first place by supply and demand; in the long run by cost of production. "Demand" in this case means "the amount of exchanges" to be made; the "money work" to be done. This varies with civilization, seasons, good or bad times, war, peace, etc.

The peculiarity in the supply of money, unlike most commodities, is that it includes all past accumulations, and annual production represents only a small part of the whole. If there were no production for six months the value would not be affected greatly.

The lecturer gave an instance of a strike for a few weeks in the South African gold mines, and in answer to a wire of a newspaper as to what effect this would have on world prices of goods, he had wired back, "No effect," and the editor took it in bad part when I charged him $10 for the opinion.

When Gold is Plentiful

As illustrating the changes in the value of gold money the lecturer gave the cose of the California gold rush in 1848, '49 and '50, when there was much gold and few goods. Then a pair of boots sold for $100, and eggs for $1 apiece. In England gold and silver in early days were coined on a ten to one basis. But both were scarce, and in the time of the Conqueror a cow sold for $1.50 and a good horse could be bought for $6 to $8. "I would not dare to tell you the price of a bottle of ale in those days," remarked the lecturer, yielding to the temptation, "your regrets would be so keen." In the time of Queen Elizabeth the ratio was 15 to 1, but the relation of each to goods had enormously shifted, due to the gold and silver brought in from the new fields in America, and as a result prices rose during the reign to three to one: "a phenomenon we saw in the five years of the war."

"Index" Numbers

In order to estimate the purchasing power of gold the lecturer said various "index number" plans had been devised. The London "Economist" chose 22 commodities, basic to English business, such as cotton, wheat, sugar, etc. The basis was the average price during the years 1854-60, with a total of 2,200. Then there was the "Labor Gazette" of Canada, which averaged prices on about 266 different things, sometimes lessened when some of these were out of season. The average in this case was taken between the years 1890-1899, with about 40 per cent. of the articles consisting of food products. The 1900 number was 100; it had risen to 137 in 1914 before the war; last year this working class family cost of living passed the 350 mark, and it was just about passing through the 300 mark on the way down again.

Returning to the subject of the movement of gold from country to country the lecturer declared this was automatic. It found its way from California, where it purchased little, to where it could purchase more; so with that dug up in Johannesburg. "The whole tendency is for it to go where it is worth more."

NEARLY 450 BRANCHES WERE OPENED IN 1920

Twenty-Five New Branches Opened and Fifteen Closed In December

For the month of December a net gain of ten new branches is recorded by the Canadian chartered banks. During the month there were twenty-five new branches opened and fifteen closed. The Bank of Hochelaga opened seven branches; Royal, five; National, four; Commerce, Imperial, Montreal and Provincial, two each, and Hamilton one.

Of the branches closed eight were by the Union; Royal, four; Commerce, Home and Nova Scotia one each. Following is a list of the branches opened and closed during the month:

Opened

Commerce — Thetford Mines, West Que.; Bridgetown, Barbadoes, B.W.I.

Hamilton—McGill Street, Montreal.

Hochelaga—Glen Sandfield, Ont.; Field, Ont.; St. Zenon; St. Gabriel des Hauteure; St. Alexandre de Kamouraska; Ste. Luce; St. Benoit, Que.

Imperial—Englehart, Ont.; Leslieville, Alta.

Montreal—Montreal, 2440 Park Ave.; Willow Tree, Halifax, N.S.

Nationale—Thetford Mines West; Martinville; Philipsburg; St. Armand, Que.

Provincial—Grenville (sub to Lachute); St. Adrien de Ham (sub to Wottonville, Que.).

Royal—Hamilton, Lottridge and Barton; Toronto, Bathurst and Queen; Toronto, Coxwell and Small; Cloverdale, B.C.; Buenos Aires.

Closed

Commerce — Barnston, Que. (sub-agency).

Home—Honeywood, Ont.

Nova Scotia—Montreal, 224 St. James St.

Royal — Blackville, N.B.; Glen Ewen, Sask.; Leipzig, Sask.; Swanson, Sask.

Union—Honeywood; Mansfield, Ont.; Cardale; Graysville; Homewood; Margaret; Roseisle; Winkler, Man.

There were 442 new branches opened during the year and 54 branches closed. The following figures show the number of branches opened and closed during each month of the year:

1920	Opened	Closed
January	48	4
February	38	1
March	59	4
April	49	3
May	49	5
June	36	1
July	36	4
August	32	3
September	16	3
October	33	3
November	21	8
December	25	15
	442	54

NATIONAL

The sub-agency of the Bank National at St. Redempteur, Hull, Que., is now being operated as a regular branch.

COMMERCE

A branch of the Canadian Bank of Commerce has been opened at Robson Street, Vancouver, temporarily in charge of J. M. Kent.

C. A. Bonnallie, manager of the Fernie branch of the Bank of Commerce, has been transferred to Vancouver.

MONTREAL CLEARING HOUSE

Among the changes made at the meeting of the Montreal Clearing House was the election of M. S. Bogert as vice-chairman, replacing J. D. G. Kippen; and W. J. Finucane was elected to the committee, which now consists of H. B. Henwood (chairman), M. S. Bogert (vice-chairman), C. W. Dean, F. G. Leduc, R. L. Ritchie, H. B. Walker and W. J. Finucane.

Banque d'Hochelaga

Forty-sixth Annual Meeting

Dear Sirs,—

The Directors beg to present their report on the operations of the Bank for the year ending November 30th, 1920.

PROFIT AND LOSS ACCOUNT

30th November, 1920

CREDIT

Balance at Credit of Profit and Loss Account, 29th November, 1919	$ 76,064.56	
Net profits for the year ending 30th November, 1920, after deducting expenses of management, interest accrued on deposits, rebate of interest on discounts, and making full provision for all bad and doubtful debts	649,739.92	
		$725,804.48

DEBIT

Dividend No. 116, paid 1st March, 1920	$100,000.00	
Dividend No. 117, paid 1st June, 1920	100,000.00	
Dividend No. 118, paid 1st Sept., 1920	100,000.00	
Dividend No. 119, payable 1st Dec., 1920	100,000.00	
		$400,000.00
Amount carried to Officers' Pension Fund		20,000.00
Reserve for Dominion Government Tax		50,000.00
Reserve for Bank premises		60,000.00
Subscriptions to charitable and patriotic Funds		12,000.00
Amount carried to "Reserve Fund of the Bank"		100,000.00
Balance at credit of Profit and Loss Account, 30th November, 1920		83,804.48
		$725,804.48

A. COURTOIS, Chief Accountant.
BEAUDRY LEMAN, General Manager.
J. A. VAILLANCOURT, President.

BALANCE SHEET

November 30th, 1920

Notes of the Bank in circulation	$ 7,166,864.00	
Balance due to Canadian Government	3,421,500.00	
Deposits not bearing interest	10,387,347.95	
Deposits bearing interest (including interest accrued to date of statement)	45,888,983.50	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	490,681.44	
Balance due to Banks in Canada	1,226.48	
Acceptances under Letters of Credit	148,877.37	
		$67,505,480.74
Capital Stock paid in	$ 4,000,000.00	
Reserve Fund	4,000,000.00	
Unclaimed Dividends	4,635.59	
Dividend payable 1st December, 1920	100,000.00	
Balance of Profit and Loss Account carried forward	83,804.48	
		$ 8,188,440.07
		$75,693,920.81

ASSETS

Gold and Current Coin	$ 486,242.80	
Dominion Notes	5,863,852.00	
		$ 6,350,094.80
Deposit in the Central Gold Reserves		3,300,000.00
Notes of other Banks		1,108,875.70
Cheques on other Banks		4,417,923.11
Balances due by other Banks in Canada		225,775.92
Balances due by Banks and Banking Correspondents elsewhere than in Canada		955,128.79
Deposit with the Minister of Finance for the purposes of the Circulation Fund		200,000.00
		$16,557,798.32
Dominion and Provincial Government Securities, not exceeding market value	$ 2,231,022.63	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian	6,010,772.91	
Railway and other Bonds, Debentures and Stocks (not exceeding market value)	124,914.16	
		$ 8,366,709.70
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures and Stocks		4,390,767.19
		$29,315,275.21
Loans to cities, towns, municipalities, parish and school districts		2,403,228.49
Other current loans and discounts in Canada (less rebate of interest)		40,503,753.20
Overdue debts (estmated loss provided for)		56,934.98
Real Estate other than Bank premises		296,348.46
Mortgages on Real Estate sold by the Bank		167,648.50
Bank premises at cost price (less amounts written off)		2,726,845.33
Liabilities of customers under Letters of Credit as per contra		148,877.37
Other assets not included in the foregoing		75,009.27
		$75,693,920.81

A. COURTOIS, Chief Accountant.
BEAUDRY LEMAN, General Manager.
J. A. VAILLANCOURT, President.

AUDITORS' CERTIFICATE

We beg to report to the Shareholders of the Banque d'Hochelaga that in accordance with Section "56" of the Bank Act, we have checked the cash and verified the securities of the Bank at the Chief Office as at November 30th, 1920, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have also examined the accounts and verified the cash and securities at some of the principal branches during the year.

We have examined the books and accounts at the Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given us, and as shown by the books of the Bank.

We have obtained all the information and explanations required by us and, in our opinion, the transactions of the Bank which have come under our notice, have been within the powers of the Bank.

Montreal, 15th December, 1920.

S. ROGER MITCHELL, C.A., of Marwick, Mitchell & Company.

GEO. GONTHIER, L.I.A., of Gonthier & Midgley, Auditors.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

to Estates being administered by it

PAID-UP CAPITAL AND RESERVE $1,172,000

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE: WINNIPEG

BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY VANCOUVER AND VICTORIA

THE FINANCIAL POST

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TORONTO, JANUARY 21, 1921

THE FUTURE TAX PROGRAM

WITH the abolition of the luxury taxes and reasonable assurance that the excess profits levies will be materially reduced or entirely discarded, a lot of interest is being displayed in trade and business circles in probable plans of the Minister of Finance to maintain revenue. The turnover tax is being discussed to a large degree. In the United States there is quite a strong movement in favor of some such tax. Otto H. Kahn in addressing the New York Board of Trade and Transportation recently urged the imposition of a "turnover tax" which would produce revenue "on every scale through the various stages from the producer to the consumer." He said:

"I favor a turnover tax on commodities as against a tax on retail sales only. First, because it seems to me fairer; second, because it would be exceedingly difficult to establish a clear and workable regulation as to what constitutes a retail sale; and third, because I doubt whether a retail sales tax, even at the rate of four or five times as high as the 1/3 of 1% I suggest for a turnover tax, would be adequately productive."

At the same time Mr. Kahn issued some sound advice when he urged that business should not try to evade its share of the burdens of taxation. He said:

"Coming to the subject of tax revision, there is one general recommendation which I venture to make, namely, that the business community go slow in sponsoring any methods of taxation which may give valid ground for impression that, in their contribution to thought on tax revision, representatives of business are unduly concerned with conserving their own interests, and aiming to curtail their proper share of fiscal burden which the country must bear as legacy of war."

This is a point which should be well considered. Business men do not desire to evade their share of taxation. What they are asking is that the taxes be so arranged as to bear equitably on the community and not have the effect of curtailing production as the excess profits taxes and the luxury taxes have been doing.

THE INDIVIDUAL AND THE CORPORATION

THE extent to which a jury may be influenced by the feelings rather than the judgment of the members in an action between an individual and a corporation was illustrated this week at Hamilton in a case between Thomas E. Webb and the Hamilton Radial Railway Company. The verdict was for the plaintiff for $1,000 for the loss of his wife and $2,500 for personal injuries. However, Chief Justice Mulock, after pointing out that such a verdict was not justified by the evidence, dismissed the action with costs.

The verdict of the jury was obviously based upon sympathy, coupled with that usual attitude on the part of the average citizen who thinks that all corporations are wealthy and fair game for the individual. The court was asked to turn over to the plaintiff $3,500 of the money of the shareholders of the railway company when, as a matter of fact, and as the bench effectively pointed out in dismissing the action, there was no evidence whatever that the company had been in any way to blame. The foreman raised one point only—that the company had been negligent in not cutting down trees which obstructed the view of the tracks. But it was shown that these trees were on private property and that the company had no right to cut them down. Undoubtedly had the company taken such a course it would have found itself in the courts for destroying private property.

It is this attitude on the part of the public that makes it highly important that big business should not only maintain efficient service but that intelligent methods should be adopted to make that service understood and appreciated. It is for that reason that the biggest concerns in the country to-day are putting their biggest men into the office of good-will producer.

THE TRUST AND LOAN YEAR

THE appearance of the annual reports of the trust, loan and insurance companies at this season gives an opportunity to review in a general way the conditions in the mortgage field throughout Canada,—all of these companies have heavy investments in loans on city and farm property. The majority of reports so far received indicate increased profits and a reviving demand for mortgage loans—an indication that the period of war-time depression is now definitely passed.

But although there has been a renewed demand for loans, the problems of the companies as regards available capital have not been solved. Loans are being made at increasing rates with interest at eight to nine per cent. on farm mortgages. The difficulty is to get the money.

With government, municipal and other bonds showing such high rates there is a tendency on the part of deposits to contract and debentures are not so popular as they were a few years ago. But despite these factors the reports indicate that Canadian funds have been fairly well maintained. The chief difficulty has been with respect to the currency debentures in regard to which there is not only to be considered the high returns now available from other investments, but the adverse exchange situation.

Under these circumstances the companies have increased their available funds for mortgage loans by disposing of a portion of their holdings of government and municipal securities which were comparatively large in view of patriotic investments in the War Loans and the fact that during the war the call for mortgage loans was comparatively light.

THE MOTOR TRUCK FOR THE SHORT HAUL

MOTOR transportation now occupies an assured place among American systems for the carriage of freight and passengers, the National Bank of Commerce in New York says in its magazine, Commerce Monthly. The older transportation systems will eventually adjust their facilities to accommodate the traffic for which they are best adapted, the bank believes, so that the motor truck must bid for business on the basis of efficiency alone. That it will meet this test, the bank declares, there is no doubt.

Trucks are still carrying a considerable amount of freight which formerly went by rail, and it is probable that they will take more of this business in the future; but it is no longer to be feared that the railroads will be injured by this diversion of traffic. As the railroads adapt themselves to the increased post-war traffic, the use of motor trucks will be confined to the field in which their superiority can be demonstrated. Manufacturers who make deliveries by both truck and rail find that beyond a certain limit of distance the advantage of the railroad is decisive. This limit is proportionate to the railway terminal costs of the locality. In a region of very high terminal costs, it has been estimated at about 125 miles. With the exception of shipments of goods for unusual fast delivery it does not pay to ship by truck beyond this distance, when railroad operation is normal. On the other hand, for shipments of 50 miles or less the advantage is all with the truck, except for the heaviest type of loose freight, and the recent railroad rate increases will accentuate this advantage.

This confirms the arguments of THE FINANCIAL POST that the future of the radial railway is a very doubtful one so far as short haul traffic is concerned—and all the evidence before the Sutherland Commission tends to show that only short haul business could be anticipated in competition with the existing steam roads with their sidings already installed and other shipping facilities and connections well established.

OUR RELATIONS WITH THE U.S.

THERE is still a great deal of uncertainty as to the proposed taxation program of the United States. There can be no doubt but that Canada can, if she desires, retaliate against higher duties by raising the tariff or by putting on embargoes against the exportation of certain natural products like pulp and paper which are badly wanted on the other side of the border. In fact our trade position is such that strenuous measures may have to be considered if we are not to be permitted to settle for our large imports of manufactured goods with the products we have for sale. The adverse rate of exchange is already so high as to seriously handicap international trade.

At such a time there is a danger of international misunderstandings. And such misunderstandings between Canada and the United States and between the United States and Great Britain are being actively encouraged by the agents of those countries and radical governments which would like to undermine Anglo-Saxon good-will.

The message of Canada's friendship toward the United States which was presented to the Canadian Club of Boston by E. M. Macdonald, former member for Pictou County, N.S., this week, was therefore most timely. "There should be, if not a definite, yet an understood alliance or federation of all Anglo-Saxon people in the world," he declared. The declaration of Mr. Rowell on his return from the Peace Conference should also aid in the maintenance of amity between the two countries. A year ago, as THE FINANCIAL POST pointed out, Mr. Rowell was inclined to criticize the United States for the attitude taken in regard to the League of Nations, but he now realizes that the question of membership "can be answered by the government and people of the United States and by that government and people alone. And the less we or any other nations undertake to offer advice or to criticize the better for all concerned."

With such a boundary line as that which divides Canada and United States close trade relations are to the mutual advantage of both countries. This is particularly the case with conditions so unsettled in Europe. We want American capital for the development of our resources. The United States wants our raw materials and to sell us her manufactured goods. Let's get together; it's good business.

EDITORIAL NOTES

GUELPH'S decision to hand its street railway system over to the Hydro-Electric Commission for operation may prove to be a case of out of the frying-pan into the fire—but it must be admitted that it was a pretty hot frying-pan.

* * *

JOHN D. ROCKEFELLER once said: "You can't legislate one gallon of oil out of existence." Nor can you legislate into existence one dollar of tax money, shift the burden as you may. The only real relief can come from greater economy.

* * *

THE United Farmers' Guide declares: "The prices of flour and feed and wheat itself are regulated by the export prices of these commodities on the world's markets." Who was it then who wanted the continuance of government price control?

* * *

THE PUBLIC ownership press scoffs at the idea of returning the railroads to private control. But why not? When a mortgagee is forced to take over a business to protect a loan he does not expect to keep it longer than till he can favorably dispose of it. The position of the Government with regard to the railroads is essentially the same.

* * *

LONDON labor men are not finding the political path strewn with roses. There is a lot of recrimination over the results of the recent election when labor candidates fared badly at the polls. William Tite, secretary of the committee which had charge of the labor ticket in that city, has resigned. President Hothersoll says that Tite is a good labor man but a poor politician.

Unemployment Insurance Question is Now Re-opened

Great Britain Wrestles With a Big Problem Which Can Hardly Be Avoided in This Country

From the Annalist (New York)

Great Britain extended her system of compulsory unemployment insurance on November 8 to include 12,000,000 workers, or two-thirds of the entire number of employed persons, and nearly one-fourth of the entire population. Not only was the scope of the system of unemployment insurance extended, but the benefits under it were increased, the weekly cash payments being more than doubled, and the waiting time, during which no payments are made, was cut down from one week to three days.

This action was taken following eight years of experience with a plan under which employers, workers and the State are joint contributors to a fund from which out-of-work benefits are paid. Originally this plan comprehended only 2,500,000 workers. Its extension is proof that it has demonstrated its practicability and value.

At the time this plan was proposed it was condemned by British employers and others as socialistic, and it was prophesied that it would lead to an enormous amount of malingering. However, it has now been generally accepted, and the belief that workers would take undue advantage of its benefits has been disproved. The payments even now are not sufficiently large to make them in any sense an acceptable substitute for full wages.

As has happened in the past, a period of unemployment in the United States, affecting probably 2,250,000 workers, again brings up the problem in this country, and the question arises why cannot it be solved here as well as in Great Britain when public opinion decides that a solution is necessary?

The evolution of ideas in this respect is very likely to follow that which characterized the movement for compulsory accident insurance, now an accepted feature of industry, but which, for years before its adoption, was violently opposed by employers. Finally, however, the principle was accepted that industrial injuries were a part of the cost of doing business, that the worker should not alone suffer but should be placed in a position where compensation was automatic and a matter of conceded right, rather than something for which he had to contest in the courts under laws which made recovery of damages extremely difficult.

Surplus of Labor Necessary

It requires no gift of prophecy to see that unemployment insurance will eventually be looked upon just as we now look upon accident insurance. Perhaps the main reason for this is that the State—society—has a practical as well as a humanitarian interest in the matter. It is not in the interest of the public that there should be thousands of workers, either periodically or regularly placed in a position where they and their families suffer such want as impairs their value as producers.

In such periods as the present there is always an exaggerated idea of the extent of unemployment as compared to what may be called normal unemployment. While no accurate figures are available, it is certain that several hundred thousand workers are unemployed in the United States at different periods of every year. This unemployment is due to seasonable causes over which the worker has no control, nor can he readily shift from one employment to another unless there is some general system by which such shifts can be accomplished. Furthermore, industry and the general good require that there should be a certain surplus of labor at all times to be drawn upon as needed, either for new enterprises or for the expansion of existing business. Both to support this surplus or reserve of labor, and to provide for those who constitute the "normal unemployed," some system of insurance would seem to be a thoroughly practical and demonstrated need.

Italy, Austria, the Scandinavian countries, Germany—prior to the war—have attacked this problem in earnest. Besides the British example we have the out-of-work benefit system of trade unions which, however, has never been able to furnish more than a fraction of the needed relief. Popular in various industrial centres of Europe is the so-called Ghent system of government subsidies — usually from municipalities — paid through trade union organizations to their unemployed members. Such a plan would be opposed, and rightly, in the United States, if only on the ground that it does not provide for the vast majority of those who are not members of trade unions.

Along with systems of unemployment insurance there are measures which fall into the category of preventives rather than cures. The best of these preventives are such systems of employment agencies as have been developed in Canada. Their main purpose is, of course, to distribute labor where it is needed. Even the extemporized machinery which was set up in the United States during the war period was allowed to disintegrate when Congress refused appropriations for its continuance. A bill has been introduced to revive the Federal employment agency system, but, without more support than it has so far received, it has slight chance of adoption.

Perhaps the best of all preventives of unemployment, and one which will receive more attention as soon as insurance against employment begins to cost large sums of money, is the regulation of industry in such a way as to avoid extremely high and abnormally low production at different periods. Most manufacturers will say that in their business this cannot be avoided, but it has been avoided and can be avoided. It is wasteful, not only from the viewpoint of unemployment, but also from the viewpoint of the manufacturer himself.

Regulation of Industry

It would not be fair to imply that all employers are insensible of their obligations with respect to the problem of unemployment. On the contrary, a number—though of course only a minute fraction—have, on their own initiative, put into operation systems of unemployment insurance, the burden of which they very largely carry.

"The employers' relation to unemployment is not yet clearly determined," declared one employer in discussing the problem.

"The idea that he has any element of responsibility for unemployment which requires consideration upon his part, though accepted by forward-looking thinkers on the subject, has not yet lost its novelty for many, and it is true that limitations of this responsibility begin to suggest themselves on the most casual thought. The employer is obviously often in the grip of conditions that operate beyond the range of his control, or of his most searching vision.

"Nevertheless, although the moral responsibility for unemployment cannot invariably be laid at the door of the employer, it is the employer who can both reduce the amount of unemployment among his employes by proper management, and can mitigate the hardships of such unemployment as cannot be avoided by making reservations for contingencies beyond his control. By its efforts to prevent seasonal unemployment, which is that phase of unemployment which is largely controllable by the employer, by carefully distinguishing operating expenses from the cost of unemployment relief, and by budgeting unemployment relief and working with its employes in testing out relief methods, the company which I represent is endeavoring to develop a scientific method of solving the greatest evil of present working conditions.

Fundamental Principles

"In this endeavor this company has kept two fundamental principles constantly in mind. The first is, that the highest goal is always the prevention, not the relief of unemployment. The second is, that what will do most to prevent relief from having a tendency to pauperize the employes and check their efforts to safeguard their future, and what will do most to make the giving of relief a stimulus to the employer to prevent unemployment is the proper distribution of the expense of unemployment between the employer, the employe and the public."

As to the labor viewpoint, the Canadian Trades and Labor Congress has recently adopted a resolution favoring State unemployment insurance, while among our own organized labor forces, the Amalgamated Clothing Workers of America at their 1920 convention adopted a resolution directing the formation of an unemployment fund for its own members, and declared:

"Justice dictates that the industry which depends upon the workers to keep it alive should take care of them when they are unemployed. That can be done only by the creation of a special fund for the payment of unemployment wages; no gift and no alms, but wages from the industry to the worker. There is no reason why the industry which pays a permanent tax to the various insurance companies in order to indemnify the employer in case of emergency should not likewise have a permanent fund for the indemnification for lack of work. The welfare of the workers in the industry should be entitled to at least as much consideration as the property of the employer."

PERSONALS

ANDREW C. JOSEPH, a prominent business man of Quebec, passed away at the age of 69 years. For a number of years Mr. Joseph was a member of the firm of A. Joseph & Son, wholesale grocers, but left the firm in 1908 to engage in the commission business, from which he retired a few years ago. Mr. Joseph was consul for Belgium for thirty years in Quebec, succeeding his father, who held that position also for thirty years. While consul he was made a Chevalier D'Honneur by the King of Belgium, and was decorated also with the order of King Leopold. He was a member of the Board of Trade and also of the Garrison Club and a life member of St. George's Society and prominently connected with a number of sporting organizations.

W. C. PARMALEE, ex-Deputy Minister of Trade and Commerce, died in Ottawa last week after a short illness. Mr. Parmalee was in his 88th year, having been born at Waterloo, Quebec, in 1833. He entered the Dominion public service in January, 1876, when the Mackenzie administration was in power. On the creation of the new department of trade and commerce at the beginning of 1893 he was appointed to be first deputy-minister of the department and continued to hold this post until August 1, 1908, when he retired on pension.

SIR MORTIMER B. DAVIS, prominent business man of Montreal, has been elected to the board of directors of the Crown Trust Company. Sir Mortimer has many interests, but is best known perhaps through his position as president of the Imperial Tobacco Company of Canada. Some years ago he had the foresight to recognize the possibilities of tobacco growing in Canada and spent considerable time and much capital in experimenting. His enterprise and ingenuity have brought a large measure of success in the commercial field and his experience and judgment will no doubt be of inestimable value to the Crown Trust Company.

A. J. HILL, recently appointed to succeed Mr. Vaughan as assistant to the President of the C.N.R., and in charge of the Canadian Government Mercantile Marine, is one of the younger of the successful railway men in Canada. Mr. Hill's success may be briefly attributed to a faculty for sustained work and a genius for the practical application of good fellowship. Like most men of his profession, Mr. Hill's early experience in railroad matters started on construction work. In 1901, however, he joined D. B. Hanna, who was then General Superintendent, and remained as Mr. Hanna's assistant until 1908. Moving to Toronto Mr. Hill became superintendent of the Toronto to Parry Sound Railway, which position he held until 1914. Upon the organization under the Government of the Canadian National Railway Mr. Hill was appointed to the position of assistant to the president. Mr. Hill is a member of the Toronto Club and an ardent golfist. It may perhaps be well said, that as George Ham was to the C.P.R. so Mr. Hill is now to the C.N.R. Mr. Hill's most outstanding services in the railway, however, perhaps fall in the line of his handling of labor disputes. Indeed, it may be said that disputes rarely occur when Mr. Hill has a position on the Board of Adjustment. This is a service which he rendered the railway and incidentally, to the country, in strenuous days of the war. He achieved herein, truly phenomenal successes in a most difficult work and preserved among the 50,000 employees of the railway a marked absence of friction.

SIR WILLIAM JAMES GAGE, one of Toronto's prominent business men, died on Friday of last week, following an illness of less than two weeks' duration. While he was widely known through his remarkable success in the business world, his name will live longer through his notable philanthropic achievements in stemming the ravages of tuberculosis in his city and province. Sir William was born at Brampton, Ont., and was educated in the public schools, later attending the Brampton Collegiate Institute, and finally entered the Normal School of Toronto. He taught school for a number of years, but later obtained a position with the publishing house of Adam Miller & Company, of Toronto. He ultimately became a partner, and on the death of Mr. Miller acquired a controlling interest in the firm, the name of which was changed to W. J. Gage & Company, Limited. He was president of the firm, the largest paper and manufacturing stationery house in Canada.

He early developed a desire to do something towards alleviating the suffering caused by the ravages of tuberculosis, and increasing success in the business world enabled him eventually to carry out his plans. One of his first acts was the establishment of a dispensary for the poor. He rented a vacant dwelling on Queen Street, Toronto, and opened it for the free treatment of poor patients. This institution subsequently became the Western Hospital, now located on Bathurst Street. The establishment of an institution for consumptive patients was an object he had in view. He visited a number of sanitariums in the United States and Europe in order to make himself familiar with every known plan for stamping out the disease. The Muskoka Cottage Sanitarium, the Muskoka Free Hospital, the King Edward Sanitarium and the Toronto Free Hospital for Consumptives were created under his direction.

He was knighted in 1918 for his work in this connection. At the time of his death he was chairman of the board of directors of W. J. Gage & Co., Ltd., the Educational Book Co., of Toronto, and of the Kinleith Paper Mills, Ltd., St. Catharines. He was a director of the Imperial Bank of Canada and vice-president of the Chartered Trust and Executor Company of Toronto.

The Concensus of Investment Opinion

The concensus of investment opinion is that the long downward trend of bond prices is definitely over and that the high yields obtained in the present period from government, provincial and municipal securities may not again be available in our lifetime.

Now is the logical time, and possibly the most profitable time, to go over investment securities with great care. If you have securities maturing at an early date, or if other funds are now, or will be shortly available, it will undoubtedly be profitable to convert some of these into, or invest incoming funds in, long term, high yield government, provincial and municipal securities.

An hour spent in looking over your securities may prove extremely profitable.

We shall be glad to make suggestions as to the revision of your holdings, or in connection with new investments.

A. E. AMES & CO.

Investment Securities

UNION BANK BLDG. - - - - - - - TORONTO
TRANSPORTATION BLDG. - - - MONTREAL
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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CANADA STEAMSHIPS

A.C., Toronto.—Would you kindly give me your opinion of Canada Steamships Common at present price. Is it a safe investment? Would you advise it for a hold for at least a year? What dividend was paid on the stock the last two years? What are the assets and reserves of the company? Would be obliged for an answer in THE FINANCIAL POST only.

At the present price, that is around $47 a share, Canada Steamship Lines is giving a yield of nearly 15 per cent. per annum, that is if the present dividend of 7 per cent. may be considered permanent. This is an unusually high yield for stock of this character, but the decline was more than that of the average security on the Canadian exchanges during the past few months, must in part, at least, be attributed to a feeling of uncertainty as to whether it was advisable for the company to be connected with the proposed British Empire Steel Corporation. There was a feeling that this company, with Dominion Steel & Scotia, might be called on to bear the burden of a number of weaker companies that might be brought into the combination. When an announcement is made, as we believe it will be very shortly, that Canada Steamship Lines will not be a part of the merger, the position of the security should be improved.

While we do not look for earnings for 1921 to be as high as for 1920 or 1919 owing to the sharp decline in ocean freight rates, the margin over and above all dividend requirements should be a very substantial one, so that we feel, at the present price, it should be considered a fairly safe investment. The stock started paying a dividend at the rate of 4 per cent. per annum early in the year 1919 and this was continued until the end of the year when the dividend was raised to 7 per cent. This rate was paid throughout the whole of 1920. According to the last statement of the company the assets amount to $44,557,179 with a surplus of $6,764,910 and reserves amounting to $142,443.

PACIFIC GREAT EASTERN

C. A., Manitoba.—I enclose advertisement of the Royal Financial Corporation, Ltd., Vancouver, regarding £12,000 Province of British Columbia bonds, and would ask you to give me your opinion of the same. Do you consider them a good, safe investment? Is the interest payable in sterling funds in London, or in Canadian funds here?

Bonds of the Pacific Great Eastern Railway guaranteed by the Province of British Columbia are a thoroughly safe investment, and when offered to yield 7.60 per cent. are very attractive. This railroad is now owned by the province and the bonds are in every sense a provincial obligation.

Interest and principal on these are payable at Victoria, B.C., for bonds of Canadian registry, and your coupons would therefore be cashed at par of exchange. On this basis the immediate yield on your investment would be 6.67 per cent. The difference between the immediate yield and the yield of 7.60 per cent. mentioned in the offering is represented by the increased value the bonds would attain in the course of time by reason of their approaching maturity, when they will of course be paid in full at 100 cents on the dollar. If you hold the bonds until 1942, you would have an investment assuring you of an average income yield of 7.60 per cent. for twenty-one years. You would not however be able to make any additional profit if sterling rises, as these bonds are payable at par of exchange at all times.

The Royal Financial Corporation is an investment house of recognized standing and you are well protected in dealing with them.

COBALT EXPLORATION

A.E.C., Beamsville.—I hold some stock in the Cobalt Exploration & Mining Company, purchased in 1906. Could you tell me if the company is still in existence and if the stock has any value?

Referring to your inquiry re the Cobalt Exploration & Mining Company, we find record of the Cobalt Development Company, incorporated in 1905, which, however, went out of existence some years ago. The property was located outside of the producing zone. This may or may not be the company to which you refer. We would advise you to communicate with address mentioned on the stock certificates for further information. It is quite probable, however, that the company has passed into oblivion, and that the stock is now only worthless paper.

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Royal Securities CORPORATION LIMITED

35

MONTREAL

Toronto Halifax St. John Winnipeg Vancouver New York London, Eng.

The Soldier Settlers as a National Business Asset

Few "Duds" Have Located on Farms—Some Reasons Why Only a Portion of Those Qualified Have Taken Up Land

By AGNES C. LAUT.

I have told fully in MacLean's Magazine how of the 25,000 to 30,000 soldier settlers located on land less than 25 per cent. represent cases that had to be salvaged or abandoned; and these included men disabled by disease developed in the war, or deaths in the family, or circumstances over which the men had no control such as calls back to a former home. Probably not more than two or three cases out of 2,000 to 3,000 settlers in each local district represent slackers, who say, "the Government placed me here. Let the Government see me through." These no-good duds represent men who "got by" the Board before qualifications were so strict they required a deposit of $400 in advance as guarantee of good faith, or who had political pull through some foolish local member owing a political debt, which he paid at the expense of the Board.

All this being the case, critics are asking two pertinent questions:

If 65,000 to 75,000 returned men have qualified to take up land, why only 25,000 to 30,000 done so?

Why have some of the men, who took up land in 1920, failed to meet their first payments back to the Board?

Get the answers to these questions clear in your mind and do not permit small local envies—often the back kick of boomsters trying to sell poor land to the Board at prices for good land—to defeat a National policy, which is proving a huge national asset.

Some Reasons Why

All of the men who qualified to take up land have not done so to date for these reasons:

Some applied too late in 1920—May and June—to get their crop in and meet payments, and so preferred to take a job to earn enough to pay their instalments when they do settle.

Some had not the money to lay down the 10 per cent. in advance.

Wages were running so high in mining, lumbering, pulpwood centres that others preferred to go into industrial centres for wages of $6 to $11 a day—teamsters were being paid $8 to $9 a day in Alberta—and put by savings till they saw which way prices were going to jump on farm products. They did not want to buy farm machinery, harness, horses, cows, at high prices, then see farm prices slump for 1921.

Others—a very large number—had picked land on which the title could not be cleared inside of six months. Some picked land abandoned by German settlers in the war; and to clear up titles of Germans, who may have been killed in the war and left farms mortgaged to raise money to go back to Europe, or cross to the States is slow work; but it has to be done; or the kick would come back to the Board that it has "let the settlers in" for lost investment.

Others again—chiefly city men, taxi drivers, waiters, foreigners, had picked such poor land it could not possibly pay back the investment and were refused loans by the Board.

Of those failing to meet first payments it should be remembered the Board permits the first payment to be carried over to the second. Others had the ill-luck of a local dry season, or rains so late they could not get a crop in, or early frosts; and in one section in Peace River and another south of Wetaskiwin, hail storms cut a curious swath. A settler on one side of the road had his crop left standing waist high. On the other side of the same road every head of wheat and oats was knocked off as if cut by a scythe.

Clearing a Problem

In only two sections do these explanations of payments deferred not hold good—in the heavy timber of British Columbia, and the bush lands of Peace River. The men thought they could clear these lands cheaply as brush lands are cleared at $10 to $12 an acre, when the land would be easily re-saleable in Peace River at $30 to $42, for which they had paid $2 and $3 and $4, and in the heavy timber area at $300 to $1,000, according as the soil was suited for fruit or wheat. They found the bush lands could not be cleared faster than 10 to 30 acres a year, and at bigger cost than $12 an acre, with very little sale of produce during the clearing; and they found the heavy timber could not be cleared faster than an acre or two a year, with no returns pending clearing and at a cost of $300 an acre by machinery, $800 by hand.

These settlers will make good if they stick it out, but can they stick it out and not get in debt too deeply? It would pay to transfer these 200 or 300 men to centres where they can make good more quickly; but the men themselves chose these lands before the Board had tightened restrictions and then came for loans; and the most of them are still at the stage where they would resist enforced transfer as interference with the liberty of choice accorded other settlers not under the Board.

Of the 25,000 to 30,000 already placed, at least 20,000 will harvest crops running from $1,000 up to $7,000, $8,000 and $10,000 for the lucky ones reaping 40 bushels of wheat to the acre, or 60 to 80 of oats. The Government will get back their investment in these men in immediate payments. Some can, if they wish, pay off their entire indebtedness this year. Others will put the profits in immediate improvements, like houses with modern improvements for waiting wives to come out. Wise ones will lay by reserves against future crop failures. Each of the 25,000 is worth on a basis of $3 a day labor $1,000 a year to Canada in productive activity. That is for an outlay of $65 to $75 millions, Canada is getting her capital and interest back, with a $25 million yearly dividend.

Spite of all kicks and counter-kicks, are the soldier settlers an asset to Canada?

CURRENT OPINIONS

THE NEW RICH

"Commercial West,"

We often used to hear the statement that in America the "rich are growing richer and the poor poorer." Our millionaires have in fact increased in numbers by leaps and bounds; but if you were to judge by the clothing and the scale of personal expenditures who of those pasing on the street are millionaires and who are chronically broke every Saturday noon, you would have to take some other testimony than that furnished by your eyes. The poor may not have added much to their old age fund during these high clover days, but they have had a bully time wallowing down the clover.

AT OTTAWA AND WASHINGTON

Buffalo "Courier."

The Canadian tariff commission, which has been having sessions throughout the several provinces of the Dominion since last September, has ended its hearings, and has now taken up the work of studying the mass of testimony and documents it has before it, with the view of preparing a report to be submitted to the House of Commons at the coming session of the Dominion Parliament.

An Ottawa dispatch says that it is expected that any tariff changes will be based in great measure on the decisions reached by the commissioners as a result of their tour. It is also believed by many that the action to be taken will be in some matters affected by what Congress may do in Washington with the Fordney food products tariff bill and by other tariff developments on the American side of the border.

The Canadian export figures for November are attracting attention, as they have a bearing on possible retaliatory legislation by the Canadian Parliament. The value of the Canadian exports of pulp and paper for the month of November was $14,855,435, compared to $8,016,990 for November, 1919, a gain of $6,838,445.

The exports of paper alone to the United States was $6,202,816, compared to only $233,667 to the United Kingdom; exports of pulp wood to the United States $6,009,739, and to Great Britain only $192,749. The value of unmanufactured pulp wood exported to the United States for November was $1,948,241, compared to $635,361 for November, 1919. The exports of pulp wood to the United States for eight months, April to November, inclusive, were valued at $11,504,496 compared to $6,321,640 for the corresponding months of the preceding year.

The grand total of pulp and paper exports for the eight months were $118,303,918 as compared to $64,626,540 for the same months of the preceding year! The overwhelming bulk of these pulp and paper exports came to the United States.

What effect retaliatory tariff policies would have upon this trade is a question that may well be carefully considered both at Washington and at Ottawa.

CANNOT REGULATE LAW OF SUPPLY AND DEMAND

"Forbes' Magazine."

The scramble for "protection" and "government aid" and similar artificial measures to bolster up prices for the benefit of certain classes is regretable from every viewpoint. Such tactics are likely to end only in disappointment, just as are attempts by farmers to "hold wheat for $3" and by cotton-growers to "hold cotton for 30 cents." Because governments used strong-arm methods to control prices during the World War emergency, the notion has become widespread that the law of supply and demand can be thwarted at any time and all the time by anybody that has a mind to. It can't, as those who try it will learn to their cost in the long run.

MAJOR J. ERNEST McKENNA, M.C., who has been associated with the firm of Redpath & Co., stock brokers, Montreal, for a number of years, has been admitted to partnership. In 1915 Major McKenna held a lieutenancy in the 60th Battalion, but went overseas ahead of the unit and was transferred to the 14th Battalion. He received his majority at the front and was decorated with the Military Cross. On his return he again joined the firm. The other partners are J. Herbert Redpath and A. Ross Crawford.

The Next Change

When will business revive?

And why?

What has happened to business?

The underlying facts that answer these questions are set forth in the January Greenshields Review.

This Review has for ten years correctly interpreted the current business position and the probable future trend.

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Tenders will be received by the undersigned up to noon of February 1, 1921, for the purchase of Regina Public School District debentures totalling Two Hundred and Fifty Thousand Dollars ($250,000.00), repayable in thirty years (30) with interest at six and one-half per cent. (6½%) per annum, payable half yearly at (1) Regina, Toronto, and Montreal; or (2) Regina, Toronto, Montreal and New York, at the option of the holder.

Tenderers are requested to submit bids for debentures payable in Canada and New York and for debentures payable in Canada only.

Tenders will be considered on both the Sinking Fund and Annuity plans of repayment.

Regina funds and delivery.

No tender necessarily accepted.

For further information address

J. H. CUNNINGHAM,
Secretary,
Regina Public School Board,
Regina, Sask.

Regina, Saskatchewan, Jan. 6th, 1921.

THE FINANCIAL POST,
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.............................., 1920

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January 21, 1921

NEWS OF THE BOND MARKET

LOCAL FINANCING HAS WORKED OUT WELL IN HALIFAX

Another Issue Placed With Local Brokers With Option on Second

CITY HAS SAVED

Borrowings Have Been Heavy But Local Sales Have Kept Cost To City at a Minimum

By Resident Representative.

HALIFAX.—The city of Halifax has placed a new issue of bonds amounting to $325,000 with the brokers of Halifax which will retail to the public at 98.16. They are ten-year, and bear interest at the rate of 6 per cent. The city allows the brokers a commission of 1½ per cent. The brokers have taken the whole issue. A couple of days ago the city sold to brokers in this city a block of $50,000 of 5½ per cent. thirty-year bonds. This was part of $200,000 lying in the treasury unsold of an issue made some time ago and of which $150,000 still remain in the treasury, but an option on which is in the hands of the brokers at a price of 92.85 to the investors, which is 1½ per cent. less than the figure mentioned.

The completion of the placing of the $325,000 of 6 per cents. and the option on the $150,000 of 5½ per cents. probably marks the end of the borrowing of Halifax for some time. Ald. Whitman, chairman of the finance committee, is quoted as saying that Halifax has received a better price for its bonds than any other city in Canada, taking all that has been issued during the past year and a half. The alderman thinks that the system of fixing a price and allowing the brokers a commission of 1½ per cent. has worked well. The credit of Halifax certainly is good. The city is one with varied interests and has a solidity that helps it when money comes to be raised.

They Need Funds for Water

If it should appear that the city water system must be overhauled to give the pressure that the fire underwriters demand it may be that the optimism in regard to future borrowing shall be found to be erroneous, but the metering of the houses, which is now almost complete, will be tested out first before anything else is done, so that the chances are that loans for water purposes are somewhat in the distant future. As a result of the borrowing that has gone on for more than a year the city's business portion is equipped with paved streets. Under the supervision of City Treasurer Hopewell, about $2,000,000 of the city's bonds have been sold locally during the past year.

MANY TENDERS FOR BARTON TP. ISSUE

Hamilton Municipality Sells $23,000 of Bonds to Toronto Houses

An extraordinary number of bids were received for a small issue of township of Barton bonds sold this week.

The bonds consisted of three blocks: $6,190 of 6 per cent. twenty years; $11,537 of 6 per cent. ten years and $6,000 of 6 per cent. five years. They were sold to W. L. McKinnon & Co. at 97.305. Bids were:

W. L. McKinnon & Co.	97.305
C. H. Burgess & Co.	96.17
Brent-Noxon & Co.	96.11
Wood, Gundy & Co.	96.07
Harris, Forbes & Co.	95.877
Nesbitt, Thomson & Co.	95.81
Canada Deb. Corp.	95.761
R. C. Matthews & Co.	95.733
MacNeil, Graham & Co.	95.73

NIAGARA FALLS AND YORK TP. SALES

United Financial Corporation Purchases Bonds From Each

The United Financial Corporation have purchased $68,710 of Niagara Falls bonds. The bonds are 5 per cent. ten instalments, and the price paid was 91.87 for $58,000 and 91.62 for the remaining $10,000. The same house bought York Township bonds to the amount of $262,000. Of the total, $240,000 are 6 per cent. twenty-five instalment waterworks debentures and $22,000 are 6 per cent. twenty instalment school bonds.

The fund costs the township 6.41, as the accepted price was 96.22.

Tenders received for the entire block were:

United Financial Corporation	96.22
Wood, Gundy & Co.	96.09
A. E. Ames & Co., and Canadian Bank of Commerce	95.86
A. Jarvis & Co.	95.402
Dominion Securities Corp.	95.147
R. C. Matthews & Co.	95.07
Harris, Forbes & Co.	94.347
MacNeill, Graham & Co.	94.08

SHORT TERM ISSUES BY ST. CATHARINES

Six Instalment Bonds Sold at Rate of 6.86 Per Cent.

A rate of 6.86 per cent. was paid by the city of St. Catharines on funds it borrowed this week by a sale of $184,000 of bonds to Harris, Forbes & Co. and C. H. Burgess & Co.

The bonds bear 6 per cent. interest and are payable in six instalments. Bids received were:

Harris, Forbes & Co., and C. H. Burgess & Co.	97.37
A. E. Ames & Co.	97.091
WoWod, Gundy & Co.	96.63
A. Jarvis & Co.	96.30

WESTERN PROVINCES IN THE BOND MARKET

Manitoba and Alberta Negotiate Loans—Saskatchewan Coming Next

Alberta sold $2,000,000 of bonds for the Canadian market this week, paying 6.40 per cent.

The issue was made up of 15-year 6 per cent. bonds payable in Canada only. The money is to be used as follows: $1,000,000 for general purposes; $1,000,000 for railways. The successful tender was 96.21, and the bonds were awarded to A. E. Ames & Co., Wood, Gundy & Co. and Æmilius Jarvis & Co.

Manitoba has negotiated some short-term financing and has sold $1,250,000 of six months treasury bills, dated January 15, 1921, to A. E. Ames & Co. and the United Financial Corporation. They are offered to the public at 6 per cent.

Saskatchewan is also coming into the bond market and is asking for tenders, to be opened January 27, for $2,000,000 of 6 per cent. fifteen-year bonds. Alternative bids are asked for bonds of Canadian or American payment.

HAMILTON'S ISSUE SOLD TO SYNDICATE

Over $400,000 of Bonds Placed With Two Toronto Firms

Hamilton, after turning down all bids received for an offering of its bonds, disposed of them on the second attempt to the United Financial Corporation and R. C. Matthews & Co.

The issue consisted of $425,000 of 5 and 6 per cent. twenty instalment bonds and was sold at 93.11.

Bids received were:

United Financial Corp., and R. C. Matthews & Co.	93.11
Wood, Gundy & Co.	92.174
A. E. Ames & Co.	91.501
Canada Debenture Corp.	91.09

GRAND TRUNK BOND ISSUE SOLD IN U.S.A.

But Was Not Offered as Government Obligation —The Reason

In offering $12,000,000 of Grand Trunk Railway of Canada (Canadian National Railways) fifteen-year 6½ per cent. equipment trust gold certificates in New York this week, no reference was made by the issuing syndicate to government ownership of the line. The bonds were offered merely as obligations of the railroad, secured by new railway equipment costing $16,000,000 and at a rate to yield 7 per cent.

Some surprise has been expressed that the issue was not offered as a Dominion of Canada obligation. In reality the bonds are not a government obligation. The same point has come up in connection with Grand Trunk Pacific 4's, due 1955, guaranteed by the Grand Trunk Railway. A large number have been sold at favorable prices, and although interest payments are practically guaranteed by reason of government railway ownership, the price has always discounted the fact that they have not the unconditional guarantee of the country, and are subject to a possible return of the lines to private ownership.

The $12,000,000 issue this week was sold to Dillon, Read & Co., the National City Co., Blain & Co., Inc., Bankers Trust Co., Lee, Higginson & Co., Guaranty Company, all of New York; Union Trust Co., Pittsburgh, and Continental and Commercial Trust and Savings Bank, Chicago.

NO BOND DELUGE; UNKNOWN TERROR PROVES A MYTH

Removal of Embargo Finds Dearth of Foreign-Held Securities

NO ONCOMING FLOOD

Strong Evidence That no Blocks Were Held Ready to Unload —Holders Waiting for Good Prices

By Resident Representative.

MONTREAL.—A follower of quotations in the bond and stock market this week might have been tempted to take at their face value those cryptic words of the Finance Minister that there "never was an embargo." Then, if not an embargo, the bond houses who signed a real agreement would be tempted to remark, "Why were we threatened by the Minister with an Ottawa 'black list'?" In any case, with the embargo off for several days the market did not show a flicker of a decline that could be traced even indirectly to the oncoming flood of those English held securities that were to overwhelm the Canadian market once that embargo was lifted.

No Cache of Securities Outside

The course of prices and offerings this week has at least made clear two points. One that there has not been a cache of those dreaded "foreign held" securities just across the border ready for the lifting of the gates to enter as into a promised land. Some of the very houses that in popular imagination were supposed to have taken on a big cargo the last few months were as bare as before of any bonds to offer.

The second point established is that the Englishman was not waiting for the open door policy to be enacted, however sore he was at its closing. The main trouble was he didn't like the look of it. "It isn't done." THE FINANCIAL POST is inclined to give a large measure of credence to the remark of a financial man who knows the game of importing securities as well as any that since the embargo was raised there have not been ten per cent. the securities offered from London that there were during the same period last week. Again a proof that the fears of an invasion that would drive Victories and other securities down five or ten points were groundless.

Rise in Exchange Helped 10 Per Cent.

The rise in sterling has influenced the situation greatly. Where towards the middle and end of November when the bond market was at its lowest, exchange on Montreal was about $3.90 and at the time of writing is around $4.30, a gain of ten per cent. occurred. That is, the English holder would receive ten per cent. less for his securities now than a couple of months or less ago. And the advance that has been made on the London market prices in that period has not been equal to this ten per cent. discount that the present higher sterling exchange produces. Thus the prices assured these overseas holders are not as attractive today as before.

What has actually occurred in financial circles in this city and Toronto is that several investment houses have made scores of offers for stocks and bonds to London with a barely perceptible response. Cable after cable has been sent. And with each one the tendency has been for the Englishman to stiffen his price.

R. C. Matthews & Co.

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CALGARY COLLECTS LARGER PERCENTAGE

CALGARY.—Taxes, current and arrears, collected by the city during the year 1920, totalled $3,745,966, according to a first forecast of the annual statistics prepared by City Treasurer J. H. Mercer.

Of the total of $3,745,966 of current and arrears of taxes collected in 1920, $2,919,841 were current taxes and $826,125 were arrears. This payment of arrears of taxes was approximately 20 per cent. of the total owing and compares with approximately 18 2-3 per cent. of the total amount of arrears collected in 1919. In the same manner, the payment of current taxes totalling $2,919,841 in 1920 was approximately 71 per cent. of the total owing, as compared to collection of approximately 69½ per cent. of the current taxes in 1919.

BOND MOVEENTS OF THE WEEK

Bonds—	Int. Rate.	Due. Year	Yield	Range 1921 High	Range 1921 Low	Latest Price Ask	Latest Price Bid	Wk. End. Jan. 18 High	Wk. End. Jan. 18 Low	Sales
Asbestos	5	1942	6.90	78½	77	78	..	78½	77½	[illegible]
Bell Telephone	5	1925	6.92	92	91¼	..	91½	92	..	[illegible]
Can. Cement	6	1929	7.30	93	91½	..	93	92½	91½	[illegible]
Cons. Rubber	6	1946	6.83	90	86	..	..	90	..	[illegible]
Cedar Rapids	5	1953	5.81	88	86	87⅞	87	88	87¼	[illegible]
Dom. Canners	6	1940	7.03	89	86	90	88	89	..	[illegible]
Dom. Iron	5	1929	8.60	76½	75	..	76	76½	..	[illegible]
Elect. Develop.	5	1933	5.90	92	..	92	..	92	..	[illegible]
Montreal Power	4½	1932	5.60	90½	..	..	90	90½	..	[illegible]
Mont. Trams., deb.	5	1924	14.00	65½	63¾	..	..	65	..	[illegible]
Montreal, Dec. '22	6	1922	2.65	106½	96½	..	106¾	106½	..	[illegible]
Do., May, '23	6	1923	3.75	106¼	103	..	106	106¼	104	[illegible]
Penmans	5	1926	7.50	88	85	89	88	88	..	[illegible]
Quebec Rly	5	1939	8.90	63	59	..	62	63	62¼	[illegible]
Rio	5	1935	8.80	77	62	..	76	67	65	[illegible]
Sao Paulo	5	1929	9.35	73¼	70	75	..	73¼	72½	[illegible]
Steel of Canada	6	1940	6.63	93	..	..	93	93	..	[illegible]
Wayagamack	6	1951	8.10	76¼	75	..	76	76¼	75¾	[illegible]
War Loan (1925)	5	1925	6.18	95	92	..	93	95	92	[illegible]
Do., (1931)	5	1931	5.80	93½	90¾	..	93½	93½	91½	[illegible]
Do., (1937)	5	1937	5.18	98	94½	98	97¾	98	96	[illegible]
Victory (1922)	5½	1922	6.45	98½	97	98¼	98⅛	98½	97¼	[illegible]
Do., (1923)	5½	1923	6.52	97⅞	95½	97⅜	97⅞	97⅛	96½	[illegible]
Do., (1924)	5½	1924	6.54	98½	94¼	96½	96	97¾	96	[illegible]
Do., (1927)	5½	1927	5.85	98¼	95¼	98¼	98	98¼	96¾	[illegible]
Do. (1933)	5½	1933	5.76	98¼	95⅛	97⅝	97½	98	97⅛	[illegible]
Do., (1934)	5½	1934	6.00	96⅛	92¼	95½	95⅛	96⅛	95	[illegible]
Do., (1937)	5½	1937	5.57	99½	96½	99⅝	99¼	99½	99	[illegible]

RENE-T. LECLERC

INVESTMENT BANKER

MONTREAL 160 St. James Street, — QUEBEC 76 St. Peter Street,

(Established 1901)

OTIS & CO.

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Town of Brampton Debentures

Sealed tenders, addressed to the undersigned, will be received up to six p.m. of January 24, 1921, for the following bonds:

$ 3,668.88	Six per cent.	Twenty Years
1,556.33	Six per cent.	Thirty Years
31,034.56	Six and one half per cent.	Ten Years
24,879.16	Six and one-half per cent.	Twenty Years

C. M. CORKETT, Town Clerk

Industrial Financial Corporation

Of Canada, Limited

Suite 303-304 Webster Bldg.

53 Yonge Street, Toronto, Canada

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INDUSTRIAL ADVISORS

Bank of Hamilton Bldg. Toronto, Ontario

SHEFFIELD LUNCH LIMITED

The Directors have declared during the year just ended a total of 10% per annum on the Preferred Stock and 20% on the common stock of this company.

In view of the fact that this first year has had to absorb all the expenses of organization and that all proper charges for depreciation have been provided for before arriving at the net profits mentioned, the Directors have every confidence in the ability of this company to make even greater showings in the future. A limited amount of 10% Preferred Stock is still available for purchase or special blocks of $300.00 on the basis of $200.00 Preferred and $100.00 Common, or any equal proportion thereof. This Common Stock has never been offered to the public and never been given as a bonus in any way.

Head Office, 109 Yonge St.

William H. Youngs, *President.*

FIELD OF MUNICIPAL FINANCE

OHIO FIRM WOULD HAVE DEFAULTS ELIMINATED NOW

Suggests Provinces Backing Up Municipalities in Trouble

HUMBOLDT'S POSITION

Further Outline of the Position Of the Town That Got Into Trouble With Water Plant

Writing to THE FINANCIAL POST regarding defaults of bond payments by municipalities in Western Canada, Terry, Briggs & Company, of Toledo, Ohio, quote a paragraph which they state was used widely by Canadian newspapers, and by bond dealers in their offering sheets, at a time when a campaign was on in 1914 to develop a market in Ohio for Canadian municipal bonds. The paragraph was as follows:

"It is absolutely and literally true that not a single dollar has been lost in principal or interest by the purchase of Canadian municipal securities."

At the same period, a leading Canadian firm of attorneys in reply to a communication from an American house stated:

"In regard to the request for information as to whether default has ever been made by Canadian municipalities and as to the cause of same and what final result has been, we are pleased to be able to say that default has practically never been made by a Canadian municipality. There have been one or two isolated instances where municipalities have found themselves so burdened with debt that they have been unable to live up to their obligations, but in all these cases that we know of the municipality has been helped by the legislature and all holders of the municipal securities have in the long run received the full amount of their principal and interest."

Ask Provincial Help

The attorneys in their letter mentioned as a most striking case the town of Toronto Junction, which met with financial difficulties about 1890. A special act was passed by the legislature of the province of Ontario providing a remedy for the trouble. This tided the town over the period of depression and none of the bondholders sustained any loss.

The contention of Terry, Briggs & Company is that defaults that have recently occurred should be cleaned up at once with the co-operation of provincial and other authorities in order to remove any discredit cast upon the credit of the country. They ask:

"'Is it not perfectly natural for the investors in Ohio and elsewhere in the United States to expect the provinces at this time to eliminate the defaults now in existence?"

No decision has been come to by the Local Government Board of Saskatchewan regarding the disposal of funds available for the partial redemption of the obligations of the town of Humboldt, or as to what arrangements are to be made in regard to past due debentures. It is possible that the life of the debentures will be spread over a longer period and the interest will for a term of years be materially reduced. A somewhat similar arrangement was entered into with Prince Albert at the time of its settlement and was received with widespread criticism. For this reason it is probable that every possible means of recuperating the town's finances will be tried before such an arrangement is made.

Failure of Water Plant

The town of Humboldt first made a default in the payment of its debentures in 1917, due to the failure of its water plant to fulfil the expectations of those who planned it.

In the fall of 1917 the council found it could not meet the town's obligations and a representative interviewed the bondholders. The bondholders asked the town to carry on, and a rate of 60 mills was struck in 1918. In that year $30,000 was collected and applied on debentures due. For the year 1920 a rate of 66 mills has been struck.

There is $57,000 on hand and the town wants to spend $20,000 of it on the power house, which requires some fixing up, the remainder to be applied on debentures. The Local Government Board have not made their decision yet regarding the disposal of this money.

In a communication to THE FINANCIAL POST, F. W. D. Thompson, the town clerk, states that the citizens realize their obligations and are ready to meet them if they are given time.

Money By-Laws

TENDERS WANTED

Feb. 15, Kenora.—$82,319.38, 6½ and 7%, 10, 15, 20 and 35-year, various debentures. F. J. Hooper, Clerk and Treasurer, Kenora.

Jan. 24, Brampton.—$5,225.21, 6%, 20 and 30-yrs.; $55,912.72, 6½%, 10 and 20-yrs. C. M. Corkett, Town Clerk, Brampton.

Feb. 1, Regina.—$250,000, 6½%, 30-yr. school debentures. J. H. Cunningham, Secretary, Regina Public School Board, Regina. (See announcement elsewhere on this page.)

Jan. 25, Kenogami, Que.—$80,000, 6%, 5-yr. bonds. A. Roche, Secretary-Treasurer, Kenogami, Que.

Feb. 1, Gladstone, Man.—$11,000, 6%, 20-yr. debentures. S. Schooley, Secretary-Treasurer.

BY-LAWS TO BE VOTED ON

Jan. 22, Brooklands S.D., Man.—$40,000 and $80,000 for school purposes.

DEBENTURE NOTES

St. Thomas.—The city council has authorized the submission of a by-law for the issuance of $125,000 in debentures toward the erection of the proposed Elgin Memorial Hospital.

Newmarket.—At a recent meeting of the town council it was decided to continue issuing debentures for $29,000 for sewers.

SASKATCHEWAN

The following is a list of debentures reported sold by the local Government Board from December 25th to January 8th, 1921.

School Districts—Laird, $15,000, 12-yr., 8%. Local investments, Rosthern. Sugar Hill, $4,500, 10-yr., 8%, Sturgeon Lake Lumber Co., Prince Albert; Silberfield, $800, 5-yr., 8%, Mutual Life Assurance Co., Winnipeg, Man. Columbia, $3,000, 10-yr., 8%, Waterman-Waterbury Co., Regina. Milner, $2,000, 10-yr., 8%, R. S. Henry, Rosthern. Robert, $3,000, 15-yr., 8%, Regina Public School Sinking Fund. Gauthier, $4,000, 15-yr., 8%, Walter Martin, Regina; Downey Lake, $3,500, 10-yr., 8%, Waterman-Waterbury, Regina. South Loverna, $2,000, 10-yr., 8%, Dr. Hunter, Hoosier. Moose Jaw, $18,500, 10-yr., 8%, Local Investors, Moose Jaw. Invermay, $12,500, 20-yr., 8%, J. A. Thompson, Winnipeg. Bright, $2,500, 10-yr., 8%, Regina Public School Sinking Fund.

Rural Telephones—Invermay, $20,500, 15-yr., 8%, R. O. Berwick, Ltd., Regina. Yarbo, $4,350, 15-yr., 8%, I. J. McVicar, Ltd., Regina. Heron, $600, 15-yr., 8%, Stewart Bros., Maryfield. Viscount, $11,500, 15-yr., 8%, W. D. Craig, Regina. Glen Adelaide, $2,800, 15-yr., 8%, S. L. Platt, Regina. Hohenloe, $9,500, 15-yr., 8%; Leslie, $14,800, 15-yr., 8%, R. O. Berwick, Regina. Bromhead South, $4,000, 15-yr., 8%, W. H. Houston, Regina. Hyas, $12,000, 15-yr., 8%, G. W. Brown, Saskatoon.

Authorizations granted by the local Government Board from December 25th, 1920, to January 8th, 1921:

Schools—Irvington, $500; Dodsland, $2,150; Macworth, $1,100; Barton, $1,400; Prince, $5,800.

Telephones—Verdun, $1,000; Mountain View, $700; Merrill, $13,900; Star City, $2,000; Ibstone, $4,600; Mayor, $41,400.

ANNEXATION HAS FINANCE PROBLEM

Relative Position of Bonds of Montreal Island Municipalities Looms Up

By Resident Representative.

MONTREAL.—The relative position of the bonds of various municipalities on the Island of Montreal has begun to play a part in the opposition to the proposed annexation of the municipalities into a Greater Montreal, or, as an alternative, the creation of a Metropolitan Commission to supervise the financing of the municipalities. At a mass meeting of citizens of Westmount a resolution was passed declaring that the proposed consolidation of the indebtedness of all the municipalities was neither equitable nor just, as it would mean the penalizing of those municipalities that had carefully administered their finances for the benefit of such as had acted in an injudicious manner. Attention was drawn further to the fact that the taking from the municipalities of the moneys and investments made for sinking funds would be a serious breach of contract with the bondholders, who had purchased bonds with the assurance that the sinking funds would be carefully guarded and protected. In the case of Westmount, special provision is made for these funds by the appointment of a Sinking Fund Commission.

GETTING DOWN TO FAIR BASIS FOR ASSESSING LANDS

Expropriation Prices Should Never Exceed Assessment

"TAX AND BUY" PLAN

Under it Land for Public Purposes can be Taken Over at Assessed Value Plus 25 Per Cent.

It is frequently found that governments and local authorities have to pay high prices for land required for public purposes. In many cases these prices are enormously in excess of the assessed value of the land. As the assessed value is or should be the "fair market value," and as the public revenues are based on that value, it should have a definite relation to the purchase value for public purposes.

It is possible that in some of the cases the disparity between the assessed value and the purchase price is due to under assessment; but whichever may be the reason for the difference, the public purse has to suffer. Even when a local authority pays a high price for land, it has no cause for complaint if its taxes are based on an assessed value approximating to that price. The grievance is that the revenues suffer at one end by low assessments and at the other end by high prices for the thing which has enjoyed the low assessment.

Compulsory Measure Needed

It is difficult to find any remedy for this condition, because it is almost impossible to get accurate assessed values, and the natural tendency of owners is both to keep down the assessments and to get a high price when they sell.

There is need for some compulsory measure to secure, first, that owners declare the real value of their land, and, secondly, that they be made to accept a price which is approximate to that value when the land is wanted for public purposes. By public purposes is meant such purposes as parks, playgrounds, street widening, hospitals and schools, and housing schemes carried out by municipalities or housing societies.

The purchase value has frequently no relation to the assessed value. There are farm lands in Ontario assessed at $41.50 per acre having an approximate market value of $1,000 per acre. The absurdity of the assessed values is shown in one district of Ontario, where a building and site are assessed by one municipality at $78,000 and by another municipality at $5,000, both figures being sworn to under the same Assessment Act requiring a fair value to be determined.

There does not appear to be any better way to solve this problem than what has been known as the "tax and buy" method, which has been carried out in other dominions, contends the Town Planning Magazine of the Commission of Conservation. There should be legislation enabling land to be acquired for any public purpose at the assessed value, plus say 25 per cent. for compulsory purchase. In addition to the price to be paid for the bare land, however, there should be provision that payment will be made for the actual cost, plus compound interest, of any improvements carried out by the owner of the land within a stated time prior to the purchase, say 10 years. There should also be provision that if any part of the land is in use for any purpose of trade or industry, compensation should be paid for injury, to be determined by arbitration in case of a difference.

F. J. Blanchfield, teller of the Guelph branch of the Royal Bank, has received word of his transfer to Port of Spain, Trinidad.

WEEKLY RECORD OF GOVERNMEN T AND MUNICIPAL BOND SALES

Date. Place.	Sold to	Rate.	Term.	Amount	Price.	Basis.
Jan. 19—Niagara Falls	United Financial Corporation	5%	10-inst.	$ 68,710	91.87	....
Jan. 18—York Township	United Financial Corporation	6%	20 & 25	262,000	96.22	6.41
Jan. 18—St. Catharines	Harris, Forbes & Co., and C. H. Burgess & Co.	6%	6-inst.	184,000	97.37	6.86
Jan. 18—Hamilton	United Financial Corporation & R. C. Matthews & Co.	5 &6%	20-inst.	425,000	93.11	....
Jan. 20—Township of Barton	W. L. McKinnon & Co.	6%	5-20	23,727	97.305	....
	PROVINCIAL					
Jan. 19—Alberta	Wood, Gundy & Co., A. E. Ames & Co., and A. Jarvis & Co.	6%	15-yr.	$2,000,000	96.21	6.40
Jan. 16—*Manitoba	United Financial Corp. and A. E. Ames & Co.	6%	6-inst.	1,250,000	....	....
	RAILWAY					
Jan. 18—G. T. R.	Dillon, Read & Syndicate	6½%	15-yr.	$12,000,000	....	....

*Temporary financing.

8% and Safety

A Cumulative Preferred Stock

paying regular quarterly dividends of 8% per annum, safeguarded by a sinking fund and participating in earnings with common shares

Up to 12%

Let us send you particulars.

HOUSSER WOOD & COMPANY

INVESTMENT BANKERS

12 King St. East, Toronto

We Offer

Province of Quebec

6% 5-year Bonds

Maturing 1 June, 1925

Principal and semi-annual interest payable at Montreal, Quebec and Toronto

Denominations: $1,000

PRICE: Par (100) and Accrued Interest

Prospectus on request

Beausoleil, Limited

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SASKATCHEWAN SCHOOL DEBENTURES

FOR SALE

Yielding 8 Per Cent. Interest

Scottish Provincial Investment Co. Limited

Darke Block, Regina, Sask.

M-M

$68,710.59

CITY OF

Niagara Falls, Ont.

5% Bonds. Due Nov. 15th, 1921-31.

Principal and interest payable Niagara Falls

Denominations: $1,000 and odd amounts.

Price: Rate to Yield 6¾%.

McKAY-McKAY Government & Municipal BONDS.

C.P.R. Building : Toronto

FOUNDED HB 1883

Tax-Exempt Canadian Victory Bonds

Whether you are in the market for the sale or purchase of these attractive securities we shall be pleased to execute your order.

Our facilities for handling these premier Canadian investments are such as will ensure you the most favorable terms.

Your enquiries in this regard will be promptly attended to.

HANSON BROS.

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OUR GOLDEN JUBILEE
1871 - 1921
FIFTY YEARS OF SERVICE
Sun Life Assurance Company of Canada
Head Office: Montreal

UNION CASUALTY
Canada's *Zenith* Company
Authorized Capital - $500,000.00
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FIRE AND MARINE
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Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
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HEAD OFFICE - TORONTO

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
A Canadian Company Investing Its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

1870 --- OUR GOLDEN JUBILEE --- 1920
INSURING THE MOTIVE POWER
The object of business insurance is to insure the "brains" of an organization. Knowledge, combined with administrative ability, is invaluable. Every business, large or small, depends primarily upon one or more experienced leaders. The death of any one of them would result in a heavy financial loss. There would be heavy going until the deceased official was replaced by someone of equal ability. The possession of a policy of insurance payable to the firm in the event of the death of such a leader is essential. Joint policies payable on the death of the first partner, or (preferably) separate policies on the lives of the individual partners in favor of the survivors are issued by the Mutual Life of Canada. It will be the object of the company to adapt each business policy to the particular requirements of the insuring firm. Consult our representative. He will be glad to advise you regarding business insurance.
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HUME CRONYN, M. P., President - - - - CHARLES RUBY, General Manager

5½% Interest Return
INVEST YOUR SAVINGS
In a 5½ DEBENTURE of
The Great West Permanent Loan Co.
SECURITY
Paid-up Capital $2,412,578.81
Reserves 964,459.39
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What Shall I Buy?
On only few occasions in the history of the Stock Exchange were standard securities obtainable at such attractive prices as during the recent decline.
While some securities have scored considerable recoveries many of the standard bonds and stocks are still available at bargain prices.
Owing to the great change in business conditions during the last six months more care than usual is required in the choice of investment.
As an aid to those who are in doubt as to what to buy we have issued a
SPECIAL INVESTMENT CIRCULAR
We shall be pleased to furnish you a copy on your request
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MONTREAL

INSURANCE AND REAL ESTATE

SEEK LEGISLATION TO LIMIT USE OF WOODEN SHINGLES

Ontario Fire Prevention League to Draft Form of Bill

REDUCE FIRE MENACE

Secretary Lewis Replies to Criticisms—An Effort to Conserve Natural Resources and Created Wealth

Basing its action on the formal resolution presented some weeks ago by J. B. Laidlaw, manager of the Norwich Union Fire Insurance Society, and adopted by the Ontario Fire Prevention League that the legislature of Ontario be requested to pass legislation strictly limiting the use of wooden shingles in the province in order to reduce the fire hazard to the utmost degree, the executive committee of the league will consider and approve at its next meeting some form of proposed legislation touching this point. Secretary G. F. Lewis, who is also Deputy Fire Marshal of the Province, is proceeding with the drafting of a form which will be submitted to the executive committee for approval. The resolution out of which this action arises is as follows:

That the Ontario Fire Prevention League request the Legislature of Ontario to pass an Act, to be of general application in every part of the province, and with no exceptions, to prohibit the use of wooden shingles or other combustible material as a roof covering on any building hereafter erected nearer than 50 feet to any existing structure, and to prohibit the extensive repair of any existing roof covering composed of wooden shingles or other combustible material.

Mr. Lewis, as secretary of the Ontario Fire Prevention League, Inc., in a reply to criticism that has developed in quarters that would be adversely affected from a business standpoint if such legislation limiting the use and consequently the sale of wooden shingles were put through, points out that the league has no desire in this matter to affect injuriously any business in Canada and least of all the very important and far-reaching lumber interests. The league simply desired to conserve the natural resources and created wealth of the province from destruction by fire insofar as it was humanly possible.

The endeavor should be, Mr. Lewis added, to protect fundamentally the big investments, the products, and the further development of the great lumber industry of Canada from destruction by fire. It was recognized by all students of fire prevention, he added, that the wooden shingle roof had proved to be the most potential breeder of conflagrations. Commenting on the progress that had been made in restraining the use of wooden shingles in the United States, he pointed out that some 91 cities had adopted legislation prohibiting the use of this form of roof covering within the corporate limits, while one or two cities have rescinded their wooden shingle legislation. He proceeded as follows:

Our time and efforts are not being spent solely on the elimination of the woden shingle roof. Indeed, many other important phases of the work of fire prevention have in the last few years been taken up and corrected, and we are now in the midst of important conferences with governmental and other large interests for the purpose of providing ways and means through various channels for the prevention of fire and the protection of the lives and property of our citizens at large. There is no reason to my mind why the roof of a building should not be as lasting and permanent as any other part of the structure. Such a roof is a man's best investment when he is building a house. Asbestos slate will cost from $18 a square upwards. This is not only fire resistive, but permanent. The longer it is on the building the harder it gets, and consequently the longer its life. The price of slate varies according to size, etc., and while its first cost may be high, even this is a cheaper roof covering than wooden shingles when one takes into consideration its length of life and cost of up-keep.

Commission rates in respect to Toronto agents yet remain to be adjusted. One of the conditions of the agreement which the representatives of the Ontario Association made with the Superintendent of Insurance was that no higher rate of commission should be paid to any Toronto agents on business closed outside of Toronto than would be paid to the local agent.

President J. F. Dowling of the Ontario Fire Insurance Association has denied the report that the agents were engaging counsel to fight the proposed legislation to limit commissions. He stated that the agents were satisfied with the agreement reached with Mr. Gray.

INSURANCE AGENTS ADJUST COMMISSIONS

In Conformity With Justice Masten's Recommendations —No Litigation.

Conforming with the recommendation of Mr. Justice Masten for lower commission charges upon fire insurance written in the province of Ontario, in order to reduce insurance costs to the public, the Ontario Fire Insurance Agents' Association, after consultation with V. Evan Gray, Superintendent of Insurance for the province, has drawn up and agreed to a new scale of commission rates, which involves substantial reductions in certain classes of insurance. The new schedule provides for the extension of the 20 per cent. rate of commission to all three-year business, and to mercantile dwellings, with 15 per cent. on all other classes of risk. It is estimated that the new rates will involve an average cost to all companies on insurance of about 17½ per cent.

The matter of lower rates has not, however, been definitely decided for all agents. The Ontario Fire Insurance Agents' Association is representative of the agents who are located outside of the city of Toronto.

ALBERTA REALTY MEN SEEK PROTECTION

Will Present Bill to Legislature —Would License All Dealers

CALGARY.—Legislation to regulate the real estate business in this province is being sought by the Alberta Provincial Real Estate Association. This action has arisen out of the feeling on the part of the legitimate real estate men in this province that there should be some protection to the general public in the matter of real estate deals, and that the agents themselves should have some protection from the agent who is guilty of unscrupulous dealings, and thereby defaming the reputation of the profession at large.

A draft bill has been prepared which will be submitted to the Alberta legislation for approval. After defining the term "real estate dealers" the proposed bill makes provision for the licensing of all would-be dealers in the province, the application for such license to be accompanied by a license fee, the amount of which has not been decided. The agent is required to subscribe to a number of conditions, and in the event of violation of any of the provisions of the act he will be liable on summary conviction to a fine of not less than $50 and the costs of the conviction.

TO ERECT OFFICE ON CO-OPERATIVE PLAN

To House Building and Associated Industries in Montreal

By Resident Representative.

MONTREAL. — Plans are being drawn up for a ten-story building in which to house the building and associated industries in this city. The estimate of the cost of site and building is from $1,250,000 to $1,500,000. It is planned to have the structure completed by the middle of next year. It is believed that space can be leased in this building at a maximum of $1.50 per square foot of floor space. It is proposed that the building shall be owned in a co-operative manner by the tenants, who shall subscribe to stock, allotted on the basis of $4 to $6 per square foot held. It is figured that the return to the stock holders will be about 7 per cent. per annum. With the idea of further concentrating the allied industries it is proposed to secure as tenants as many representatives of manufacturers of building materials as possible.

B. C. INDUSTRIES

Many New Companies Incorporated Last Year

VICTORIA.— Not since 1912 has there been such a flood of new enterprises in the province of British Columbia as during the past year, according to returns issued by the registrar of new companies. There were more than twice as many new companies incorporated in the province last year as there were in 1918. The figures are: 1917, 821; 1918, 437; 1919, 616, and 1920, 772. During the first six months new companies were formed at a rate eclipsing all former records, but about the middle of the year there was a slight depression. Until the end of June there were 499 companies incorporated.

LITTLE MONEY IS AVAILABLE FOR MORTGAGE LOANS

Exchange Situation Restrains British Investment In Canada

NEED IS INCREASING

Life President Says Insurance Companies Must Undertake Larger Share of Mortgage Investments

A number of circumstances have combined during the past year to render it increasingly difficult to raise money on mortgage loans in this country, and this money stringency has been one of the most important factors in restraining building and construction operations throughout the Dominion. President Herbert C. Cox, in his annual address to the directors of Canada Life Company, draws attention to one particular phase of the situation, and points out the increasing responsibility and obligations of Canadian insurance companies in making up a large part of the money deficiency for mortgage purposes.

The adverse exchange rate upon sterling with Canada, together with the high rates of interest prevailing in Great Britain, he pointed out, had created the difficulty, amounting almost to impossibility, of retaining British moneys borrowed by Canadian loan companies upon their debentures for investment in mortgage loans in this country. The margin between the rates demanded in England and those obtainable on proper security here was so narrow as to render the profit on such transactions extremely small and unattractive. As a consequence, President Cox intimates the loan and other companies depending upon borrowed funds for their investment resources must look in much greater measure to the increasing of their deposits, and to the sale of their debentures at home. In the latter direction, he added, they will be much handicapped for some years by the competition of long-term government and municipal securities, which can now be obtained at unusually high yields. Without disparagement of those institutions which were bearing the burden of a condition for which they were in no way responsible, it was fair to assume that they would not be able to keep up as they had done with the demands of a rapidly expanding country for mortgage loans for farm development.

In this connection an important duty devolves upon the life insurance companies, President Cox declared. They were the other great source of supply of funds for mortgage purposes. They would therefore in future have to be prepared to undertake a larger share of this mortgage investment which was so essential to our national growth. It is perhaps not realized, he concluded, that these companies have already loaned most importantly in this way, but their steady influx of funds requiring safe and remunerative investment will enable them to proceed more actively with profit to the country and to themselves. Some of them already had ample organizations and facilities established for the prosecution of such business.

MANITOBA STATE INSURANCE

Became Effective Jan. 1.—Higher Compensation to Injured Workmen.

WINNIPEG—Free accident insurance is afforded some 35,000 workers, employed in more than 3,200 establishments, and representing an aggregate yearly payroll of more than $55,000,000, in the province of Manitoba under the provisions of the state insurance scheme which became effective January 1st. Since 1917 insurance has been provided through the medium of private corporations and compensation to injured workmen was fixed at 55 per cent. of wages earned at the time of the accident. State insurance makes it possible for the compensation board to pay compensation on the basis of 66.66 per cent. of wages without increasing the amount of premium payable by employers.

The state insurance scheme, it is pointed out, operates without the necessity of making provision for agents' commissions and profits and thereby a higher allowance to the injured is permitted. During 1920 there were 3,920 accidents reported to the board, being an increase of 38.56 per cent. over the 1919 total. Of these accidents 31 were fatal, against 47 industrial deaths in 1919.

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MERCHANTS CASUALTY COMPANY

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Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - - $8,000,000.00
Losses Paid Since Organization - - - - $77,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D.; Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O.; E. R. Wood.
Assets over - - - $4,300,000.00
Losses Paid Since Organization, over - - $47,000,000.00

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Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
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Industrial locations; real estate; mortgages; natural resources.
Correspondence Invited
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CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Jan. 11
In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active*

Capitalization Preferred	Common	Bonds and Debentures	Div. Rate	Yield to Jan. 11	COMPANY	Range 1920 High	1920 Low	1921 to Jan. 11 High	1921 Low	Close Jan. 18 Ask	Bid	Week ending Jan 18 High	Low	Close	Sales
	5 000 000	6 160 600	6	10.52	Abitibi Power & Paper com	87	49¾	58	44	55¾	55	57	54¾	55	1,921
1,000,000			7	8.04	Abitibi Power & Paper pref	99	85	86¾	...	...	...	...	...	...	...
	6 594 300				Amer. Cyanamid com.	36	33	...	...	...	...	...	...	...	...
994 200			6		Amer. Cyanamid pref.	65	62	...	...	...	...	...	...	...	...
	3 500 000	1 473 666			Ames-Holden com.	137½	10	20	...	...	25	25	25	25	50
2 500 000			7		Ames-Holden pref.	114¾	27	38	30	45	43	44½	43	44	110
	614 660	537 442			Amer. Salesbook com.	7½	5	...	...	...	...	...	...	...	...
3 073 300			7+1¾	10.00	Amer. Salesbook pref.	83¼	70	70	...	...	72½	74	72	74	49
	3 000 000	2 940 000	6+1¾	7.59	Asbestos Corp. com.	103	64	79½	77	...	...	...	...	...	...
4 000 000			8	8.84	Asbestos Corp. pref.	108	83	90½	88¼	92½	92	93¼	90	92	180
	3 500 000	1 345 000	10		Atlantic Sugar com.	164	16	30	20¼	32	31	33¾	29⅞	31½	7,089
2 500 000			7	8.28	Atlantic Sugar pref.	184	24½	...	...	...	...	...	...	...	...
8 483 500	27 450 000	64 063 875			Barcelona Traction	9¼	3¼	4¼	4	4½	4¾	4½	4⅜	4⅜	375
	22 336 300	11 149 000	8	8.00	Bell Telephone	111¼	100	100	99¼	102½	101	102½	99¼	102½	401
	4 282 200		6	13.33	B. C. Fishing	66	34¼	45	38	44	41	45	41	41	117
10 000 000	106 566 300	77 192 132			Brazilian Traction com.	51¼	28	36	30⅞	33½	33¼	35	33	33½	1,903
	858 500	17 234	10	10.52	Burt. F. N. com.	110	88	...	...	106	104	109	191⅜	105	309
1 866 700			7	6.93	Burt. F. N. pref.	110	90	101	96¼	108	104	107	105	106	47
2 000 000	7 000 000	2 375 000	7	12.96	Brompton Paper	85	42¼	57	53	52⅝	52¾	54	51¼	52⅝	6,400
	2 500 000	1 146 872			Canada Bread com.	32½	19	21	19¼	22	21½	22	21⅝	22	135
1 250 000			7	8.23	Canada Bread pref.	86½	84	85	...	...	...	...	...	...	...
	4 975 000	7 757 822			Can. Car & Fdry com.	74	29	35	31	...	42	43	35	43	1,044
7 500 000			7	10.00	Can Car & Frdy. pref.	109	67	70	64	77	76	76	72¾	76	91
	13 500 000	6 509 573	6	9.83	Canada Cement com.	75	54¼	61	56⅛	...	63½	64⅛	62	64	1,593
10 500 000			7	7.69	Canada Cement pref.	100	88½	91	90	...	90	91	91	91	57
	1 733 500	399 000	7	11.66	Can. Converters	80	51	60	59	...	...	62	60	62	149
	2 805 500	9 500 000			Can. Cons Rubber com.	100	87¾	...	...	...	...	...	...	...	...
3 000 000			7	7.00	Can. Cons. Rubber pref.	95	92	...	...	...	...	...	...	...	...
	2 715 500	4 567 105	8	10.52	Can. Cottons com.	100	71	76½	73	76	75¼	75	72	75	35
3 661 500			6	8.45	Can. Cottons pref.	83	66	71	70	...	72½	72	72	72	30
	960 000	173 200	12		Can. Forgings, com.	257	75	...	...	...	...	...	...	...	...
960 000			7	7.60	Can. Forgings, pref.	92	91	...	...	...	...	...	...	...	...
	8 000 000		8	8.08	Can. Gen. Electric com.	109	93¾	99	94	103	101½	101	100	101	313
2 000 000			7	7.44	Can. Gen. Electric pref.	104	90	94	90	98	95	95	93	94	121
	2 000 000	1 500 000	8	9.52	Can. Locomotive com.	100	80	...	...	...	...	...	...	...	...
1 500 000			7	8.43	Can. Locomotive pref.	95	80	83⅜	83	...	85	85¾	85	85	16
80 681 921	260 000 000	271 934 882	10	7.14	Can. Pacific Railway	142	125	141	136¾	134	132	141	133	133	215
	800 000	369 000	8	8.88	Can Salt	147	85	...	...	...	...	...	...	...	...
	12 000 000	7 979 619	7	14.28	Can. Steamships com.	80¼	34	49	46½	48½	47½	50¼	47	49	1,405
12 500 000			7	9.80	Can. Steamships pref.	85	60½	71½	65	73¼	73	74	72	73⅛	570
	1 200 000	454 500			Carriage Fact. com.	49½	7½	...	...	...	...	...	...	...	...
1 200 800					Carriage Fact. pref.	90½	72½	...	...	...	...	...	...	...	...
	565 000				City Dairy com.	62	50	55	...	...	...	...	...	...	...
700 000			7	8.53	City Dairy pref.	99	85	82	...	...	...	...	...	...	...
	5 360 700		10	8.00	Consumers Gas	150	125	128	124¾	...	131	132	127	132	30
	6 212 666		6	12.76	Crow's Nest Coal	59⅞	40	47	45	...	46	46	46	46	50
	15 000 000	35 757 500	8	9.09	Detroit United Rly.	113¾	79¼	90¼	88	...	88	90	89	89	62
	6 500 000		8	9.30	Dominion Bridge	115	69	87¾	76	92	90	90	87	90	287
	2 796 300	1 719 410			Dom. Canners com.	66¼	26	40	34	38	36	36½	36	36½	120
2 290 600			7	8.92	Dom. Canners pref.	90	79	78½	78	80	78½	80	80	80	35
3 000 000	15 000 000	5 864 500	7	9.65	Dominion Coal pref.	97½	70	72½	63½	...	...	...	...	...	...
	4 250 000	1 683 363	6	10.71	Dominion Glass com.	69¼	57	56	...	59	57½	60	58	59½	270
2 600 000			7	9.06	Dominion Glass pref.	91	82¼	77½	...	81	78	81	79¾	1	55
5 000 000	25 000 000	13 434 313	7	10.00	Dominion Iron pref.	92	65	71	68	...	75	73	71	72	28
7 000 000	37 100 000	20 450 682	6	12.24	Dominion Steel Corp.	82½	39	48¼	42	48½	47¼	49	47	47½	3,225
	1 000 000		6	7.40	Dom. Telegraph	91¼	80	81	...	...	81	83	83	83	8
	5 000 000	4 767 500	10	9.25	Dom. Textile com.	146½	96½	108	104	108	107	107¼	107	107	212
1 940 600			7	7.77	Dom. Textile pref.	105	89	90	89½	...	93	93	93	93	3
1 500 000	3 500 000	3 500 000	4		Duluth Superior	28	12	13	...	...	12¾	13	13	18	25
	2 250 500	950 000			Goodwins com.	35	26	...	...	...	...	...	...	...	...
1 750 000			7	9.33	Goodwins pref.	95	75	...	...	...	...	...	...	...	...
	1 000 000	225 000			Holt Renfrew com.	70	62	...	...	...	...	...	...	...	...
1,000,000			7	8.75	Holt Renfrew pref.	85	80	...	...	...	...	...	...	...	...
	2 500,000	800,000	8	7.27	Howard Smith Paper com.	167	74¾	110	...	...	100	107	100	100	317
1,300,000			8	8.69	Howard Smith Paper pref.	107½	91	92	...	92	90	92	92	92	105
7,289,500			6	9.23	Illinois Traction perf.	70	64	65	...	...	65	66	65	66	22
500,000	6,267,005		25c.		International Petroleum	82	20	...	...	...	...	...	...	...	...
	2,198,018	1,902,500	8	9.19	Kaministiquia	97	83½	87	...	...	...	87	87	87	74
	2,800,000	900,000	12	8.63	Lake of the Woods com.	220	130	139	135½	140	135	142	140	142	38
1,500,000			7	7.44	Lake of the Woods pref.	112	93½	94	...	...	...	...	...	...	...
	9,600,000	565,778	6	6.34	Laurentide Paper	125	81	95	91	92	91	94½	91¼	92	1,257
1,300,000	1,750,000	934,900	8	14.54	Lyall Construction	99	35	55	47½	74	73½	74	55	74	2,101
2,388,600	3,000,000				Macdonald A. com.	44¼	19	25	20	...	22	25	22	22	135
	41,380,400		6	8.45	Mackay com.	79¼	67¼	71	69	72½	71	72	71⅛	72	48
50,000,000			4	6.15	Mackay pref.	74	61	65	64	...	63¼	65	65	65	20
	2,500,000		12	8.27	Maple Leaf Mill com.	196	133	145	138	146	143	145¼	144	144	45
2,930,000			7	7.52	Maple Leaf Mill pref.	104	92	...	...	...	94	95½	93	95	47
	1,275,000				Monarch Knitting com.	75	60	...	...	...	...	...	...	...	...
750,000			7	8.97	Monarch Knitting pef.	90	85	78	...	...	...	...	...	...	...
	2,949,600		6	8.00	Montreal Cottons com.	87	78	75	...	...	...	...	...	...	...
2,949,600			7	7.77	Montreal Cottons pref.	105	90	90	...	...	91¼	91	91	91	6
	64,126,100		5	5.92	Montreal L.H. & P. cons.	90	76	86	81⅛	85¼	85	86	84	85	2 482
	2,000,000		8+½	7.47	Montreal Telegraph	124	110	110	...	...	110	111½	110	110	47
	3,861,070	36,608,153	10	8.00	Montreal Tramways	155	125	125	...	...	...	...	...	...	...
	2,254,300	1,580,000	4	7.47	National Breweries com.	70	39¼	54½	48⅛	52⅝	52	53¼	50¼	52¼	4,217
2,775,000			7	7.36	National Breweries pref.	97	93	...	...	...	...	...	...	...	...
	2,000,000				Nat. Steel Car com.	12	3	...	...	4	3½	4	4	4	200
1,500,000			7		Nat. Steel Car pref.	41½	21	28	22	27	26	27	26	26	126
	15,000,000	11,102,437	5	12.19	N. S. Steel & Coal com.	80	33½	41	37	43	39	41	39	39	131
1,000,000			8	10.66	N. S. Steel & Coal pref.	107	75	...	...	...	...	...	...	...	...
	2,500,000	2,350,000	12	6.55	Ogilvie Milling com.	280	175	183	180	...	200	200	200	200	90
2,000,000			7	7.00	Ogilvie Milling pref.	105½	97	100	99	...	...	...	...	...	...
	750,000	538,200	8	13.67	Ont. Steel Products com.	89	50	58½	58	...	56	60	58	60	10
750,000			7		Ont. Steel Products pref.	89½	89	...	...	...	...	...	...	...	...
	3,500,000	2,125,000	6	8.57	Ottawa L. H. & P.	81	70	...	...	...	...	...	...	...	...
	650,000		2	5.71	Pacific Burt. com.	42	30¼	35	34	...	...	...	...	...	...
650,000			7	9.21	Pacific Burt. pref.	85	76	76	...	79	...	76	76	76	24
	2,150,600	2,000,000	8	8.42	Penmans Ltd. com.	148½	93	97	95	100	95	98	95	97	49
1,075,000			6	7.69	Penmans Ltd. pref.	91½	74	78	...	...	78	81	78	81	9
	749,500				Port Hope Sanitary com.	27	25	...	...	...	...	...	...	...	...
400,000			7		Port Hope Sanitary pref.	42	30¼	...	...	...	...	...	...	...	...
	3,000,000	3,837,666	4		Porto Rico Rlys. com.	50	28½	38	37	...	39	40	40	40	45
1,000,000			7	10.60	Porto Rico Rlys. pref.	79	60	66¼	64	...	66	66	65	66	78
	8,534,200	5,372,098	8	3.20	Price Bros.	385	250	250	...	255	...	253	250	250	14
	2,481,300	95,000	6+1	6.66	Provincial Paper com.	132	80½	90	...	...	...	90	90	90	10
1,700,000			7	8.04	Provincial Paper pref.	100	85	...	...	...	...	...	...	...	...
	9,999,500	11,045,000			Que. Railway L.H.	36¾	18	24	22	24½	24	24	23	24	1,635
	4,500,000	5,909,400	10	7.57	Riordon Paper com.	226	126⅞	139	131	133	131	134	126¾	129	1,085
1,500,000			7	8.43	Riordon Paper pref.	101½	83	...	...	...	...	...	...	...	...
	1,500,000	502,000			Rogers Wm. com.	71	52	...	...	55	50	55	55	55	33
1,122,800			7+1¾	8.75	Rogers Wm. pref.	102	80	...	...	87	83	87	87	87	1
	800,000		7	9.33	Russell Motor com.	89	70	...	...	...	...	...	...	...	...
1,200,000			7	14.00	Russell Motor pref.	98	40	50	46	...	55	60	50	70	15
	1,500,000	478,868			Sawyer-Massey com.	20	13	...	...	...	...	...	...	...	...
1,500,000					Sawyer-Massey pref.	67¼	35	43	49	...	51	51	45	51	47
	20,000,000	9,353,261	7	6.48	Shawinigan W & P.	119½	97½	109½	104¼	106	105⅞	107	105½	106	613
	4 000,000	2,226,006	6		Sherwin Williams com.	119	75	...	...	...	...	...	...	...	...
3,425,000			7	8.13	Sherwin Williams pref.	100	85¾	...	...	...	...	...	...	...	...
	8,750,000		8	6.15	Shredded Wheat com.	142	130½	130	...	130	...	130	130	130	10
1,250,000			6	6.12	Shredded Wheat pref.	98	98	...	...	...	...	...	...	...	...
	8,000,000	10,332,113	7	7.91	Spanish River Pulp com.	129	75	89¼	84	82	81	87⅛	80⅛	82	2,200
5,699,100			7	7.40	Spanish River Pulp pref.	149	82	95	90½	91	90	94½	90	91	2,421
	11,500,000	8,562,225	7	11.11	Steel of Canada com.	88½	54¾	63¼	59	63	62	63½	61	63	880
6,496,300			7	7.77	Steel of Canada pref.	101½	85¾	90	86½	92	91	91	88	91	450
	1,200,000	160,590	6+1	9.09	St. Lawrence Flour com.	139	59	67	61½	...	...	74	69	64	465
575,000			7	7.36	St. Lawrence Flour pref.	98½	92	...	...	...	...	...	...	...	...
	7,894,000	1,440,000			St. Maurice Paper	170	123	120	...	120	...	120	120	120	25
	650,000				Tooke Bros. com.	86	67	...	...	...	...	...	...	...	...
985,000			7	9.33	Tooke Bros. pref.	91	83	75	...	...	...	...	...	...	...
	12,000,000	2,502,306			Toronto Railway	65	35	65	59½	63¾	63	64½	62	63	985
	2,500 000		4	9.75	Tuckett Tobacco com.	57½	41	42½	41	44	41	41	41	41	10
2 000,000			7	8.64	Tuckett Tobacco pref.	93	81¼	...	...	86	...	82	82	82	30
3,000,000	22,000,000	20,245,000			Twin City com.	49	31½	44	...	...	43⅛	45	43⅛	44	127
	1,750 000	891 000	4	8.69	Wabasso Cotton	135	48	46	42½	...	...	...	...	...	...
	5,000,000	3,302,600	6	6.97	Wayagamack	150¼	71	89	82	...	76	86	76½	78½	1,271
	2,449,588	1,371,55?	8+15	6.66	West. Can. Flour	145	105	...	...	...	...	...	...	...	...
	9,000,000	10,130,000			Winnipeg Rly.	38	26	41¼	36	40½	39¼	40⅞	39	40¼	403
	1,500,000	600,000	1½+2	4.91	Windsor Hotel	100	70	122	120	147	...	145	125	145	135
	1,718,600	410,000	8+5	8.00	Woods Mfg. com.	110	[illegible]	...	...	...	...	...	...	...	...
346 500			7	8.53	Woods Mfg. pref.	86	78¼	...	...	...	...	...	...	...	...

BANKS

Capital	Reserve	Div. Rate	Yield to Jan. 11	BANKS	Range 1920 High	Low	Range 1921 to Jan. 11 High	Low	Close Jan. 18 Ask	Bid	Week Ending Jan. 18 High	Low	Close	Sales
15,000,000	15,000,000	12+1	6.55	Commerce	199½	173¼	183¾	179¾	190	185	200	183	192	204
6,000,000	7,000,000	12+1	6.94	Dominion	206	190	202	191½	202	201	202	200½	202	61
4,000,000	4,200,000	12	6.97	Hamilton	194	168	172	169¼	...	182	182	174	182	318
4,000,000	4,000,000	10	6.53	Hochelaga	158½	151	153	...	...	...	153	151	151	16
7,000,000	7,500 000	12	6.44	Imperial	200	184	186	185½	188	187	188	185	188	66
8,400,000	8,400,000	12	6.66	Merchants	203	158	180	168	179	...	182	17	178	224
4,000,000	5,000,000	12	7.05	Molsons	194	169	170	168½	...	170	170	170	170	199
22,000,000	22,000,000	12+2	5.92	Montreal	220½	185	202½	195½	...	210	[illegible]	203	211	222
2,000,000	2,300,000	12	6.89	Nationale	174	162¾	174	171	...	...	[illegible]	...	...	...
9,700,000	18,000,000	16	6.29	Nova Scotia	273	243	254	249	...	255	[illegible]	255	255⅛	44
20,134,010	20,134,010	12+2	6.03	Royal	233½	189½	198¾	193½	206	204¼	[illegible]	200	204	304
3,500,000	4,500,000	14	7.07	Standard	222	200	200	198	...	204½	205	198	201½	181
5,000,000	6,000,000	12	6.59	Toronto	197	179	182	...	...	192	192	182	192	123
8,000,000	6,000,000	10+2	6.62	Union	161	139	152¾	146	152½	152	157	150	153	319

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Div. Rate	Range for 1920 High	Low	Latest Price Ask	Bid	Last Sale	LOAN, TRUST AND INSURANCE	Div. 1920	Div. Rate 1921	Range for 1920 High	Low	Latest Price Ask	Bid	Last Sale
Canada Landed	10	10	150¼	110	135	...	130¼	Montreal Loan	12	...	165	155		...	155
Canada Permanent	10	10	178	157	...	170	171	National Trust	10	12	230	198	200	190	198
Central Canada	10	10	...	...	...	...	...	Ontario Loan	10	10+¼	160	155	...	160	155
Col. Investment pref.	6	6	82	67	...	77	77	Real Estate Loan	7	7	95	92	...	...	92
Dominion Savings	5	5	72	72	...	70	72								
Great West. Per.	5	...	...	...	...	...	89¼	Toronto General Trusts	10+1	12	211	196½	...	180	180
Hamilton Provident	9	9	146	145	...	140	140	Toronto Mortgage	9	9	135	129½	...	130	132½
Huron & Erie	6+1	6	113½	110	...	112½	112½	Toronto Savings	10	10	.....	...	...	...	185
Landed Banking	8	8	142	141	...	137	141	Union Trust	7	7			140	...	172
London and Canadian	9	9	126	110	115	112	115	Confederation Life	20	20	310	300	...	...	...

DIVIDEND NOTICE

Murray-Kay Company, Limited

NOTICE is hereby given that a Dividend of one and three-quarters per cent. for the three months ending January 31st, 1921 (being at the rate of seven per cent. per annum), has been declared on the Preference Shares of the Company and will be payable on February 1st, 1921, to Shareholders of record at the close of business on January 20th, 1921.

FRANK MUNDY,
Secretary.

Toronto, January 17th, 1921.

THE BANK OF NOVA SCOTIA

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 26th January next, at Eleven o'clock a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S.,
December 11th, 1920.

Howard Smith Paper Mills Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2% on the Common Stock, and 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 31st day of December, 1920, payable on the 20th day of January, 1921, to shareholders of record at the close of business on the 10th day of January, 1921.

By Order of the Board.

HAROLD CRABTREE,
Secretary.

Montreal, Que., December 28th, 1920.

The Merchants Bank of Canada

QUARTERLY DIVIDEND

A DIVIDEND of Three Per Cent. for the Current Quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid Up Capital Stock of the Bank, was declared payable on 1st February next to Shareholders of record on the evening of 15th January, stock not fully paid up on 1st November to participate from that date on the amounts then paid up and on subsequent payments from the dates thereof.

By Order of the Board.

D. C. MACAROW,
General Manager.

Montreal, 28th December, 1920.

The Montreal City & District Savings Bank.

THE Annual Meeting of the shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the fourteenth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements and the Election of Directors.

By Order of the Board.

A. P. LESPERANCE,
General Manager.

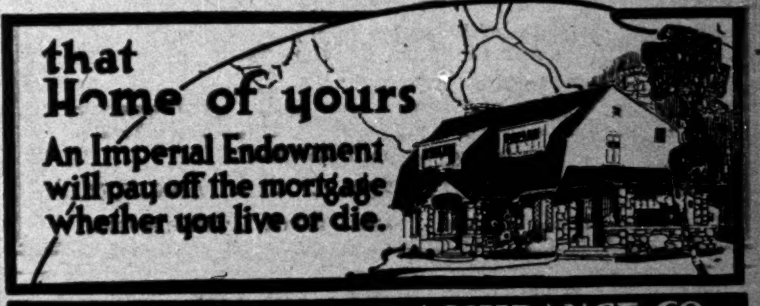
Montreal, January 12th, 1921.

Experience is Vital

In these times of change, experience is more vital than ever in regard to all matters connected with the handling of an estate. Make sure your estate will be in experienced hands in case of your death. The best executor is a conservative institution such as this Trust Company, providing services of a board of directors and a trained and experienced staff which has specialized year after year in each branch of executor service.

Chartered Trust and Executor Company
46 King Street West, Toronto

HON. W. A. CHARLTON, M.P., *President* — W. S. MORDEN, K.C., *Vice-President and Estates Manager*
JOHN J. GIBSON, *Managing Director*



The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

SIXTEENTH ANNUAL REPORT
BY THE DIRECTORS OF
The
MPERIAL GUARANTEE & ACCIDENT INSURANCE COMPANY
of Canada

FOR THE TWELVE MONTHS ENDING THIRTY-FIRST DECEMBER, NINETEEN HUNDRED AND TWENTY

The Directors have much pleasure in submitting to the Shareholders their Sixteenth Annual Report for the twelve months ending 31st December, 1920.

BUSINESS: The Company has in force 25,648 Policies for insurance of $56,684,000. The premiums on new and renewed business amounted to $557,771.86, with premiums paid for of $542,981.34, being an increase of $64,713.00 in premiums on business written, and an increase of $73,894.96 in paid-for premiums. The interest earnings amounted to $21,593.35, an increase of $1,583.06.

ASSETS: The Assets of the Company now amount to $540,945.95, and the investments of the Company are all first-class securities bearing good interest returns.

SECURITY: After providing $221,224.94 for Unearned Premium Reserve and Reserve for Outstanding Claims; and also providing for other liabilities, the surplus to policyholders is $306,721.01, which, together with the uncalled subscribed Capital of $800,000.00, makes the available security for all contracts $1,106,721.01.

The lines of insurance now written are: Personal Accident Insurance, Sickness Insurance, Elevator Insurance, Fidelity Guarantee, Plate Glass Insurance, and Automobile Insurance (including insurance of Automobiles against Fire).

The Certificate of the Auditors is appended to the Financial Statement as to the audit of the Company's affairs.

HERBERT C. COX,
President.

Toronto, 14th January, 1921.

Back Your Merchants Through These Specialized Trade Newspapers:

Canadian Grocer
35th Year.

Hardware and Metal
32nd Year.

Druggists' Weekly
2nd Year.

Dry Goods Review
32nd Year.

Men's Wear Review
22nd Year.

Sanitary Engineer
14th Year

Bookseller and Stationer
37th Year

Business Is Just As Good As You Make It

Hysteria and lack of courage will never make business go forward to normal. Neither will protesting that business is all right bring that condition to pass.

The surest way to good business is to carry on, as though it were, to plan courageously, to build determinedly and by the force of your own confidence to carry your own organization and your own trade with you.

Right now more business is being lost than is being done—all for lack of understanding. What are you doing to better it? Merchants everywhere are waiting for their cue from you.

Entrust them with your confidence; build up their faith in the future security of business so they in turn will go after business.

A "Buyers' strike" can't last forever—there's business to be had. Show your dealers you are behind them.

Take your merchant into your confidence through his business newspaper. He is the actual outpost of industry—the ultimate salesman to the buying public. If he prospers you prosper. It will pay you to help him build his business.

He's reading his trade newspaper to-day for news of your product—searching the editorial pages for ideas and the advertising section for your plans.

The merchant is ready to carry on to normal—WILL YOU SHOW HIM THE WAY?

Canadian Grocer — Dry Goods Review
Druggists' Weekly — Men's Wear Review
Hardware and Metal — Sanitary Engineer
Bookseller and Stationer

The MacLean Publishing Company, Ltd
Publishers of the above Specialized Trade Newspapers

PREMIUM BONDS

City of Paris and Credit National

5%

¶ The Bonds of the City of Paris are a sound investment, carry interest at the rate of 5%. Each bond has a redemption feature which entitles the holder to participate in an allotment of 6,000,000 francs in premiums annually.

¶ The Bonds of the Credit National are guaranteed by the French Government, are exempt from taxation, carrying interest at the rate of 5% and participate in an annual distribution of 20,000,000 francs in premiums.

PRICE ON APPLICATION

N.B.—At the normal rate for exchange one 500 franc bond would be worth $96.50; it can be now purchased for less than half that amount.

A circular with detailed list of premiums and prices will be mailed on request.

L. G. BEAUBIEN & CO., LIMITED
INVESTMENT BROKERS
50 NOTRE-DAME ST. WEST - - - MONTREAL
Branch offices at QUEBEC PARIS, FRANCE THREE RIVERS

BALANCE SHEET OF THE
Toronto Mortgage Company
For the Year Ending 31st December, 1920

ASSETS

Office Premises in Toronto St., unencumbered		$ 45,000.00
Real Estate held for Sale		None
Mortgages at face value, less provision for possible depreciation—		
Principal	$1,775,355.57	
Interest	1,886.04	
		1,777,241.61
Loans on Stocks and Bonds		144,608.64
Dominion of Canada and Provinces of Canada Securities		460,967.13
Canadian Municipalities and School District Debentures		528,169.19
Other Bonds and Debentures		34,603.73
Stocks fully paid up		60,200.00
Cash in Chartered Banks		114,805.02
Cash in Office		2,907.02
Total		$3,168,502.34

W. GILLESPIE, Manager.

LIABILITIES

To the Public			
Debentures Sterling—(£273,756 7s. 7d.)		$1,332,281.07	
Debentures Currency		239,317.65	
Deposits, Savings Accounts		92,284.70	
Accrued Interest on Debentures		16,835.16	
Reserved on account of Accrued Income Taxes		9,304.80	
			$1,690,023.38
To the Shareholders			
Capital Stock Subscribed—$724,550.00			
Capital Stock Fully Paid		$ 724,550.00	
Reserve Fund	$670,000.00		
Added in 1920	30,000.00		
		700,000.00	
Unclaimed Dividends		38.25	
Dividend declared and unpaid, due 1st January, 1921		16,302.38	
Profit and Loss Account—Balance carried forward		37,588.33	
			1,478,478.96
Total			$3,168,502.34

HERBT. LANGLOIS, Vice-President.

We have audited the Books and Accounts of the Toronto Mortgage Company for the year ending 31st December, 1920, and have verified the cash, bank balances and Securities of the Company. After due consideration we have formed an independent opinion as to the position of the Company. In our opinion, so formed, and according to the best of our information and the explanations given to us, we certify that, with the reservations provided, the above statements set forth fairly and truly the state of the affairs of the Company and are in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

TORONTO, 11th January, 1921.

J. HARDY, F.C.A.
E. R. C. CLARKSON, F.C.A. } Auditors.

What a Business Man did

A SHORT time ago a successful business man turned over a large part of his property to this Corporation as his Trustee. Under the Trust Agreement we pay the income from the investments to himself as long as he lives and to the members of his family after his death, the Capital to be finally distributed among their heirs. This man has exhibited both wisdom and foresight; he has made secure the results of his enterprise and industry and will enjoy these with peace of mind; he has also fulfilled his duty towards his family by making suitable provision for them after his death.

We have many such Trusts in our office. Can we suggest a similar settlement to suit your circumstances? Write to us to-day. Your communication will be treated with the strictest confidence.

THE
TORONTO GENERAL TRUSTS CORPORATION
Head Office: Cor. BAY & MELINDA STS
TORONTO

LACK OF FIGURES TO SUPPORT THE HYDRO ESTIMATES

Sutherland Inquiry Fails to Obtain Summations Asked For

CRITICISMS HEARD

Commissioners Evidently Tire of Way Proceedings Drag On—Newspapers Charged With Unfair Methods

Lack of convincing details to sustain the estimates of income for the projected Hydro Radials, as revealed during the examination of W. G. Hewson, the Hydro engineer on radials, would leave the average business man very skeptical of the soundness of the whole scheme. Figures were obtained by I. F. Hellmuth, K.C., for example, showing that the total earnings from local freight by the three systems, the G.T.R., the C.N.R. and the C.P.R., on their lines in the district between Bowmanville and the Niagara frontier as $898,000. Against this the Hydro estimates an income from its proposed single line in 1925 of $2,147,577. What is more, the radial would have to create new traffic or take it from the lines now operating and the established roads already have their sidings and switches, which would make it extremely difficult for another road to get in on the business.

And Mr. Hewson was unable to give any satisfactory explanation of how the single line radial could hope to get double—and more—the business of the roads now established, particularly when they would remain as competitors. Much time was lost in an endeavor to get summations of the detailed statistics upon which the estimates were based and these were not forthcoming. The impression was left that while the figures themselves might give a fair idea of the business which might be expected from the various districts in 1925 there was nothing to indicate what was total business and what portion of this the radial line might expect to secure or what of the total was represented by new business to be developed. Or it may be that local as well as long distance freight was included, when it is pretty generally agreed by the transportation experts that the radial lines cannot expect to secure long distance freight in competition with the roads which will finally carry it to its destination.

Not a Traffic Man

Mr. Hewson's case for the radials was further weakened by the fact that he admitted that he was not himself a traffic expert and that he had had little practical experience with this end of the proposition. This might easily explain the nature of the estimates submitted. In any event it might have been expected that the very vital estimates of revenue upon which the radial projects are based would have had the attention of one of experience in connection with this phase of transportation.

Another phase of the estimates had to do with prospective population. The Hydro estimated that the municipalities from Bowmanville to St. Catharines in 1925 would have a greater population by 17.8 per cent. than in 1920. It was estimated that earnings on the Hydro line would be 40.8 per cent. more in 1925 than in 1920 and that passenger earnings would be 12.9 per cent. higher. It was further estimated that the population between Bowmanville and St. Catharines excluding Toronto and tributary only to the territory through which the Hydro would pass, would increase by 211,195 in five years, all of which figures apparently show an optimism almost without parallel in railroading.

Newspapers Are Unfair

It was evident from the attitude of Chairman Sutherland and some other members of the commission, as well as the various counsel, that the lack of detailed information and the futility of the efforts to secure definite figures became very tiring. The chairman referred on one occasion to these "glittering generalities," while at another stage a commissioner asked if the difficulty in getting information had stalled the proceedings.

Another matter on which there was candid expression of opinion had to do with the reports of the proceedings carried by the pro-Hydro newspapers in Toronto. These are arranged usually so that only the most favorable impression of the Hydro projects is left with the public. Mr. Hellmuth observed on one occasion that it did not matter much how the statements were put in the evidence as they would be twisted by the newspapers in any event. Judge Sutherland mentioned, among other things, that one paper had gone so far as to say that the commission had formed a definite opinion on certain matters. "Rarely," he added, "had a public body been pursuing a most important public duty under more difficult circumstances."

FURNITURE TRADE IS NOW ON BASIS OF REPLACEMENT

J. R. Shaw Says Manufacturers Down to Rock Bottom

Some viewpoints on the relation of the retailer to the manufacturer were brought out at the recent "Furniture Show" in Toronto. The subsequent banquet, which took place in the King Edwad Hotel, when the visiting retailers were guests of the exhibiting manufacturers, brought forth hearty expressions of optimism for 1921.

J. R. Shaw, vice-president of the Canadian Manufacturers Association, made it very clear, that the new prices as issued by the furniture manufacturers, were based upon replacement values, and were figured at a point which was practically without profits to the manufacturer. These prices, he assured the meeting would hold good till midsummer, when, if general conditions improved, they might possibly have to be advanced. He added:

"Skilled workmen on furniture had not been adequately paid, at least not in comparison with other great staple trades. It is the desire of the furniture manufacturer that this condition be eliminated and the trade become sufficiently attractive, from a monetary standpoint, to enlist the services of the best men. Consequently wages, for the present at least, have not been reduced. For this reason, and also because lumber, our chief raw material, it getting dearer and scarcer every year, furniture can never again be as cheap as it has been. At present the scarcity of houses militates against sales of furniture, but great numbers of people want reasonable house accommodation and naturally these homes have to be furnished, consequently the future is bright for the trade. There is every indication of a revival of business by April, and a dead certainty of a revival by midsummer.

Co-operation vs. Competition

Mr. Shaw certainly sounded the principles of "Modern Commerce" when he recognized the fallacy of competition and the virtue of cooperation. Mr. Shaw explained that the time had passed when competition was the life of trade. The axiom applied no longer; the way of greater achievement lies through cooperation in all departments of industry. Manufacturers, retailers, labor and capital, working together.

The use of Canadian woods, notably birch, in place of American walnut, is an encouraging evidence of the return to sane and economical business. So satisfactory has this material proved, that it is expected to be able to create an export market for it in the United States. Such reversals of trade as this would, if accomplished in other industries, result in a speedy improvement of our unfavorable American trade balance. The furniture manufacturers have evidently not allowed the depression to dishearten them. Despite the fact that orders received at factories the last few months have been practically nil, the manufacturers have accepted their losses, revised their industries and set about rebuilding business along new lines as indicated by conditions.

DEMAND FOR FARMS

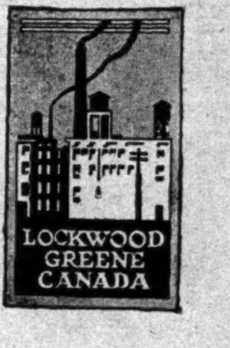
Many Sales Are Reported in the Cobourg District

COBOURG.—The sales of at least nine farms in this locality, most of them being in Haldimand township, have been recorded here this month. With this initial activity in real estate for the beginning of the year, sales of farms are expected to exceed those of last year, when, it is estimated, more farms changed hands in Northumberland county than for the ten previous years. A healthful feature of the situation is that many inquiries for farms to purchase are coming from citizens of towns and cities, and this seems to herald a desirable back-to-the-land movement.

UNLISTED BONDS

Amer. Sales Book, 6s	80	..
P. Burns, 1st Mort., 6s	90	98½
Can. Machinery, 6s	79½	..
Collingwood Ship, 6s	90	..
Dunlop Tire, bonds, 6s	90	97
Eastern Car, 6s	84	90
Harris Abattoir, 6s	89½	98½
Wm. Davies, 6s	92	99
N.S. Steel, debs., 6s	71	76½
Gordon-Ironsides, 6s	..	88
Mex. Nor. Power, 5s	9	12½
John Morrow Screw, 6s	84	88
Ontario Pulp, 6s	93	96½
Toronto Power, 1924, 5s	85	91
King Edward Hotel, 7s	72¾	76

CUTTING COSTS



A well-planned factory plays an important part in economical production. The LOCKWOOD GREENE organization, at your invitation, studies your individual problem with you, then prepares plans and supervises every detail until the wheels are running smoothly.

LOCKWOOD GREENE specializes in remodelling existing plants for those who prefer not to build at present. Take advantage of the accumulated experience and the continuous study of many operations similar in points to yours. First write for the booklet, "Building with Foresight".

LOCKWOOD, GREENE & CO. OF CANADA LIMITED
285 Beaver Hall Hill, Montreal.
INDUSTRIAL ENGINEERS

Decline in Property Values in Inherited Estates

Values of properties often decline or are even lost in the hands of inexperienced Executors.

This may happen through negligence, inexperience, etc., of the Executor.

Avoid this and insure sound, careful business management of your Estate by appointing the

PRUDENTIAL TRUST COMPANY
LIMITED

as Executor under your will. Call upon the competent services of our Officers to assist you in the preparation of your will, and the arrangement of your affairs.

Head Office: PRUDENTIAL TRUST BLDG., Montreal.
Branches: Halifax, St. John, Toronto, Winnipeg, Regina, Vancouver, London, Eng.

NEEDLESS OFFICE NOISES ELIMINATED

Hard Fire Proof Construction Blamed For Nerve Stress—Wall Treatment Corrects

In the offices of Christie, Brown & Co., Ltd., Toronto, a treatment of sound deadening has been applied to the ceiling, for which they claim good results. As explained by the office manager:

"When we first started in here, the noise was unbearable. We could not hear ourselves think and had to shout to be understood. On Saturdays, when the travellers came in to make reports, the noise was appalling, and by noon hour we were all fagged out. The treatment as applied to our ceiling has, however, made work in this large room quite pleasant."

The offices of the Norwich Union Fire Insurance Company have been similarly treated. The management explains that the bare walls caused an annoying reverberation of machines and voices that made telephone calls and conversation difficult. They had figured on the cost of partitions, but preferring an open office space had applied the ceiling treatment with entire satisfaction. Particularly interesting in their case was an experiment made possible during the installation of the treatment, one room being finished, while another exactly similar was untreated, thus allowing fair comparison, which it may be said was all in favor of the treatment.

Method of Treatment

The treatment consists in applying a heavy layer of felt on ceiling or walls, which by proper experiment are found to be the principal offenders in the sound reflection evil. A membrane of cotton fabric is then stretched over the felt, leaving an air space between, and when completed the appearance of the treated portion blends satisfactorily with the rest of the room.

RETAIL STORES NOT YET ACCEPTING REPLACEMENT COST

Continued from page 1

which replacement values were now in force in retail stores it seems fair to conclude that the recent heavy declines by one of the large textile mills, which went down to one-half the old prices, have not yet been met by the retailers. They say they are down in shoes, silks, in special lines, such as ready-to-wear, but not yet in cottons. And again they counter with the statement that even though the textile company quotes so-and-so that they cannot get deliveries of most of these goods for two or three months, and that by that time they will have reduced their lines on hand gradually until they are ready at the time of delivery of the new goods to meet the replacement price.

In the main the turnover for the year 1920 in the retail stores stands to exceed that of the year 1921, with profits reduced by the reductions in prices forced during the late part of the year. For the year 1921 it is expected that sales will fall far below the turnovers of 1920; that the earlier months will net losses in many cases, with new goods coming in later than usual as spring buying will be months behind the average of former years, and that not only will the volume of turnover be less than with the high prices of 1920, but the volume will be less also. And, once more, reducing profits still further, the percentage of profit will average less this year than was the custom during the war.

There is one more point impressed during talks with the retail men. That is, that while their profits were better than normal during the past four years, in the end they come out with larger stocks in volume and at values three times as great, and that a large part of the surplus profits have been sunk in these higher priced stocks, and so that in the slump of prices they stand to lose a large percentage of the surplus profits they made during the rise in prices. The retailers, like the most of mankind, are feeling their way these days.

WILSON FOR PRESIDENT

MONTREAL.—The new president of the Canadian Pulp and Paper Association will be P. B. Wilson, vice-president and general manager of Spanish River Pulp and Paper Co.

UNLISTED SECURITIES

Stocks—	Bid	Asked
Alberta Pac. Grain, com.	130	..
Do., pref.	75	[illegible]
Ames-Holden Tire, com.	..	40
Belding Paul, com.	..	37
Do., pref.	70	75
Brandram-Henderson prf.	88	92
British Amer. Assur.	8¼	12½
Can. Machinery, com.	22	27
Can. Macaroni, com.	..	2½
Canadian Oil, com.	64	70
Can. Westinghouse	101	107
Cockshutt Plow, pref.	54	[illegible]
Cuban Can. Sugar, com.	..	11
Cuban Can. Sugar, pref.	..	11
Can. Woolens, pref.	63	73
Do., com.	..	50
Crown Life Ins.	74	..
Dom. P. & Trans., com.	..	43
Do., pref.	85	90
Dunlop Tire, pref.	88½	91½
Famous Players, 8% pfd.	..	80
Home Bank	98	102
Goodyear Tire, pref.	70	77
International Milling pref.	..	90
Loew's Hamilton	..	105
Do., pref.	..	[illegible]
Marcus Loew's, pref.	..	90
Mattagami Pulp, pref.	70	80
Do., com.	25	30
Mercantile Trust	90	..
Manufacturers' Life	170	200
Murray-Kay, pref.	60	70
National Life	150	..
North Amer. Pulp	5⅞	6
Page Hersey, pref.	84	..
Riordon, com. (new stock)	25	30
Do., pref. (new stock)	78	85
Sterling Coal, com.	18½	[illegible]
Robt. Simpson, pref.	73	76
Sterling Bank	109	114
Trusts & Guarantee	65	[illegible]
United Cigar, com.	.55	[illegible]
United Cigar Stores, pref.	1⅜	[illegible]
Western Grocers, pref.	..	[illegible]
West. Can. Pulp	20	[illegible]
Western Assurance	10	[illegible]
Whalen Pulp, com.	16	..
Do., pref.	..	..

LOAN COMPANIES SEEK TO EXTEND BORROWING POWER

To Overcome Scarcity of Funds for Mortgage Investment in Ontario

SOME OPPOSITION

Will Appeal to Government to Raise Limit of Deposits to at Least Twice Amount of Capital and Reserves

An application for amendments to the Loan and Trust Corporations Act, to provide for closer supervision of the loan and mortgage companies doing business in the province of Ontario, as well as for an extension of borrowing powers and the limits of deposits, will be submitted to the Ontario government in the course of a few days by the Dominion Mortgage and Investments Association. This action will follow a careful course of preparation during which the views of all the loan companies in the province of Ontario were taken upon the advisability of extending the borrowing powers of such companies in order to enable them to cope more satisfactorily with the increasing demand for mortgage funds.

The Dominion Mortgage and Investments Association in a memorandum submitted to all Ontario loan companies called attention to the increasing difficulty of securing funds from Great Britain in view of the exchange situation and the high interest rates prevailing, and the necessity, therefore, of utilizing more and more of our own capital resources to the end of aiding building and development throughout the province. The amendments outlined in the memorandum and on which the loan companies were asked to express an opinion make provision for (a) inspection of loan companies by the registrar of loan corporations; (b) extended powers re borrowing by taking deposits, and (c) the maintenance of a reasonable proportion of liquid assets. The memorandum advocates the revision of the clause of the Act which now limits deposits that loan companies may receive to the total of their combined capital and reserve, allowing such companies unlimited powers of taking deposits, together with provision for adequate reserves and careful government supervision.

Amendments Opposed

Members of the Dominion Mortgage and Investments Association were unanimous in approving the proposed amendments. The executive of the Ontario Land Mortgages Companies Association offered objection to any change in the present Act. In a vote upon the question taken by the members of the Ontario Association a majority voted in favor of a modified revision of the Act, approving an amendment which would extend the borrowing powers to twice the capital and reserves. It is quite probable that when the matter is submitted to the government for consideration the resolution approved by the Ontario Association will be the basis of the proposed amendments.

The situation that has brought about this desire for extended borrowing powers is carefully outlined in the memorandum. Since the war, it is pointed out, and due to adverse rates of exchange and the need of Europe for its capital for reconstruction purposes it has been impossible to get money from that continent for mortgage loans. It is impossible to forecast how long these conditions will last, but they will probably continue for some time to come. For some years at least, therefore, Canada must supply Canada's needs for mortgage loan moneys. The balance of the statement continues at follows:

The situation is already acute. Mortgage loan money is more difficult to get at present than perhaps ever before in the history of Canada. The demand for mortgages on the best of security far exceeds the supply of funds. What will the situation be when lower costs stimulate building activity? Moreover if Canada is to respond to the necessity for greater production to meet her war debt, money must also be available for farm loans. Loan and trust companies (aside from life insurance companies) are the types of corporation which Canada has so far evolved to meet the demand for mortgage money, and if these institutions are to continue to function in a manner commensurate with the needs, then they must be given facilities to secure for mortgage loans a share of the liquid assets of the country.

Extend Present Limits

A number of loan companies are now hampered by the existing restrictions respecting borrowing by taking deposits. It is, therefore, submitted that the present limits can be safely extended without any impairment of security to debenture holders or depositors, provided there is careful inspection by the government of the assets of loan companies and the maintenance of a reasonable proportion of liquid assets. The present, it is felt, is an opportune time for securing such legislation along this line as will enable companies to extend their business and meet as far as possible the need indicated.

That the loan companies taking deposits in Ontario are in a strong position is evident from an examination of their assets, which as to thirty of them discloses the following as at December 31, 1919:

Percentage of cash in banks to deposits	21.33
Percentage of stocks, bonds and debentures to deposits	122.53
Percentage of cash and securities to deposits	143.86

The following is a summary of the position of thirty companies taking deposits in Ontario as at December 31, 1919:

Liabilities to the Public:		
Deposits	$26,257,746	
Debentures	48,860,384	
Other	1,300,099	
		$ 76,418,231
Liabilities to Shareholders:		
Capital	$32,765,275	
Reserves	22,578,840	
		$ 55,344,155
		$131,762,347
Assets:		
Mortgages and Real estate	$88,659,260	
Stocks, bonds and debs.	32,174,614	
Cash in banks	5,601,429	
Other assets	5,327,042	
		$131,762,347

The amendment proposes further that every corporation receiving deposits shall at all times keep on hand and available, cash or cash and unencumbered marketable securities equal to not less than 20 per cent. of the amount of such deposits.

Two Companies Exceeded Limits

Some opposition to the proposed changes to the Act are offered in some quarters. The Canada Permanent Mortgage Corporation, one of the minority group of the Ontario Land Mortgage Association which voted against the extension of borrowing powers, calls attention to the fact that, with the exception of two small companies which have exceeded the limitations of the present Act, and another which is on the ragged edge, the balance of the companies are still able to receive deposits, which would aggregate many millions, and still be within the limits imposed by the Act. These other companies, they suggest, can place themselves in the position of being able to receive a further amount of deposits by the expedient of increasing their capital. They have another alternative in taking more of the money on debentures, thus giving their customers the benefit of the slightly higher rate of interest thereon.

Advocates for increased borrowing powers on the other hand call attention to the position of the Waterloo County Loan & Savings Company. According to the financial statement at December 31, 1919, this company showed liabilities made up of savings deposits, deposit receipts and debenture accounts, amounting to $1,734,210. The liabilities to the shareholders including capital stock and reserves totalled $738,187. Included in the assets were mortgages $735,172, bonds issued or guaranteed by the Dominion or Provincial governments, $705,116; municipal bonds, $698,470, and cash on hand and on deposit, $196,534. While the deposits here were in excess of the reserves and capital, it is pointed out that the depositors were amply protected in the class of security selected for purchase. With careful management the interest of depositors in any institution could be similarly protected, they contend, and the supervision that they demand, which is on a par to that instituted on behalf of insurance companies, would ensure careful selection of investment. In that event there should be no need for a company aggressively promoting its business in this direction to curtail activities when the present limit has been reached.

WOMEN IN INDUSTRY.

Authentic and Complete Treatise is Being Prepared.

The first authentic and complete treatise on the subject of women in industry is now in progress of preparation. The work is under the leadership of Ida M. Tarbell, with Miss H. R. Walter as associate editor, and is being further directed by Miss Mary B. Gilson, employment and service director at the Clothcraft Shops; Miss Mary Van Kleeck, director dept. of industrial studies, Russell Sage Foundation, and Miss Mary Anderson, director of Women's Bureau, U. S. Department of Labor. A year will be required to produce the book. The employment of women in industries new to them has been developing steadily during the past few years and is now of enormous importance. Every improvement in tools, every new invention means more work and greater opportunity for women. New management methods have been developed by firms that have successfully employed women, not merely for crude, nor for skilled labor, but also for executive work. These methods will be assembled in the "Handbook of Women in Industry" and made available to executives.

B. C. LUMBERMEN WANT SERVICE BY PANAMA CANAL

Say Government Marine Should Provide Service to Offset High Freight

NOT PRACTICABLE NOW

Development of West Indies Trade Seems Only Way to Get Full Cargoes to Make Route a Success

Manufacturers and shippers in British Columbia have been agitating by press, letter and interview, to induce the Canadian Government Mercantile Marine to establish a steamer service between ports on the Canadian Atlantic and Pacific coasts. That some means of stimulating trade and avoiding high freight rates is necessary for the extreme western provinces, stands unquestioned. Transportation problems appear to be detaching British Columbia from the rest of the Dominion, more effectively than did the Rocky Mountains, nature's own barrier.

Worthy and commendable though the object may be, it resolves itself definitely into a question of comparative costs. Both the railwa yand marine services are looking for tonnage, they are both owned and operated by the citizens of Canada and therefore unfair and distinctive competition is eliminated or at least should be. From the standpoint, then of the public-owned carrier, the question is one of cost of operation, or possibly at the present time, a choice of minimum loss. The shipper and receiver have however, several other grave questions to consider. The actual rate of freight is perhaps one of the smallfest factors in the consideration of inter-provincial trade. The time element, handling, cartage, loading and unloading, warehousing and insurance rates, the total of these, added to a possible cheaper water haul tonnage rate, have a very different story to tell when the goods of the Western shipper arrive finally in the warehouse of the Eastern buyer.

Fallacy of Water Transport.

The principle upon which the Western business men base their claims for a marine service, is that waterborne transport is necessarily cheaper than rail. Such a general assumption is fallacious. The history of transportation in America has been the reverse more often than not. Each individual route must be considered on its own merits, its problems and costs analyzed. The cheapest transport in the world moves on the Great Lakes, but this service is highly specialized. For the greater part it handles bulky, loose cargoes, such as grain, coal and iron ore. All of these are loaded and unloaded by mechanical means and by their very nature, adapt themselves to mechanical handling more readily than other goods. This is not the case with package freight or lumber, which constitutes the major portion of all cargoes offering to or from the Western Canadian ports.

Shippers of lumber from Oregon, U.S.A., to New York, have petitioned the American Shipping Board to establish a rate of $15.00 per M feet, while for the Vancouver, Panama, Quebec voyage the C.G.M.M. reports offer of $18.00 per thousand feet. The Western shippers, maintain that any rate over $20.00 per thousand, positively excludes them from the Eastern market in competition with American southern pine. In contrast to the above statement and offered freights, the C.G.M.M. submit that they are in receipt of offers of $55.00 per thousand feet. Vancouver points to Liverpool and the route is shorter. That is, shorter than to uebec or Montreal, to say nothing of the cheaper insurance rates of open ocean compared to St. Lawrence River.

Ever since the United States coastal trade assumed any importance, that nation has fostered its shipping. Foreign vessels are not permitted to engage in traffic between American ports. They may discharge cargoes inbound from foreign ports, or take on cargoes outbound to other foreign ports; but if their business reqquires a call of two American ports, they have to go "In Ballast" between the two. Accordingly any British or Canadian service that might be established on the proposed western route, must not depend on any service from coastal trade en route. This is an important point, often overlooked by investigators, more intent upon correcting an evil to their own satisfaction, than choosing the proper means of cure.

Fortunately a solution of the empasse promises in the recent preferential trade agreement with the British West Indies. Business men in British Columbia have been known to protest and question the value of this preference as applied to their particular province. Through the transportation facilities of the C.G.M.M. it is believed in well-informed circles that the problem of Atlantic Pacific voyages will not only be solved, but that British Columbia will benefit much more than was at first expected through Canada's preferential trade agreement. The West Indies will provide ports of call and cargoes each way. At present the volume of business offering from eastern to western ports is ridiculously small, compared to the tonnage capacity of the vessels. While fair cargoes east bound seem possible, the outward voyage would under present conditions be a heavy loss. This may be changed by including the West Indies in the voyage and by Western importers specializing in so far as possible, so as to place a large volume of their foreign buying in these islands.

The next issue of the Financial Post will detail the costs of operating C.G. M.M. ships on the proposed routes, and endeavor to indicate the view point of the Marine Service and some of the problems that have to be solved in the establishment of such a route.

GOLD SUPPLY OF U. S.

Imports Last Year a Hundred Millions Greater Than Exports

WASHINGTON.—Federal Reserve Board's review of the imports and exports of gold and silver during 1920 shows that gold imports during calendar year 1920 totaled $428,700,000, compared with $76,500,000 for 1919, while gold exports aggregated $322,100,000 compared with $368,200,000 exported in 1919. There was thus a gain, through net imports of $106,600,000 in the country's gold stock, as against a loss for 1919 through net exports of $291,700,000.

Gold imports are shown inclusive of $108,500,000 of gold formerly held earmarked for account of the Federal Reserve banks by the Bank of England and returned late in the year to this country. This amount, while increasing the stock of gold of the United States, does not affect the total gold reserves of the Federal Reserve banks, since gold held by foreign agencies is counted by the Reserve banks as part of their reserves. Practically no change for the year is shown in the gold reserves of the Reserve banks.

We offer, subject to prior sale, withdrawal or advance in price:

Consumers' Gas Company of Toronto

CAPITAL STOCK

Paying dividends quarterly at the rate of 10% per annum.

Par value of shares, $50.00 each.

Price: On application, yielding 8% on investment.

We reserve the right to make partial allotment on account of over-subscription.

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INVESTMENT SECURITIES
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112 ST. JAMES STREET - MONTREAL
HOPE CHAMBERS - OTTAWA
46 THREADNEEDLE STREET - LONDON, ENG.

Merchandise on Hand in Foreign Ports

AMERICAN EXPRESS WORLD SERVICE

Foreign Offices
GREAT BRITAIN: London, Liverpool, Southampton, Edinburgh, Glasgow
FRANCE: Paris, Bordeaux, Havre, Marseilles
ITALY: Rome, Naples, Genoa
BELGIUM: Antwerp, Brussels, Ostend
HOLLAND: Rotterdam
SCANDINAVIA: Copenhagen, Christiania, Stockholm, Gothenberg
SWITZERLAND: Lucerne
GERMANY: Berlin, Bremen, Hamburg, Coblens
SOUTH AMERICA: Buenos Aires, Montevideo, Valparaiso
THE ORIENT: Yokohama, Kobe, Hong Kong, Shanghai, Manila, P.I.
CANADA: Montreal, Toronto
Correspondents Everywhere.

Non-acceptance of shipments by foreign buyers has left many American firms with merchandise on hand in foreign ports.

Without a representative on the spot it is often difficult for concerns to protect their interests properly, and the sending of a representative, if one is available, is expensive and sometimes inadvisable or impossible.

The Foreign Trade Department offers the facilities of the foreign offices of the American Express Company for adjustment with buyers, with probable saving of money and good-will for American shippers; the sale of on-hand merchandise at best price obtainable after investigation of market possibilities; transfer of such merchandise to another point, or for investigation and report of the actual facts to shipper for decision.

If any one you know is in difficulties we shall be glad to have you consult the Foreign Trade Department for more complete information as to our facilities.

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INTERNATIONAL BANKING, SHIPPING, TRAVEL AND FOREIGN TRADE

UNION BANK OF CANADA IN STRONGEST POSITION IT HAS EVER HELD

Fifty-sixth Statement Reveals Very Strong Cash Position Built Up During Past Year—Total Assets Increased $60,000,000 Since 1916—Savings Deposits Again Showed Marked Increase—Quick Assets to Liabilities Increased from 47.23 p.c. to 54.35 p.c.—There Are Now 393 Branches and Agencies.

The fifty-sixth Annual General Meeting of the shareholders of the Union Bank of Canada was held at the Head Office in Winnipeg at twelve noon on Monday, January 10th, 1921. Among those present in the large gathering were:

Sir William Price, John Galt, G. H. Thomson, Stephen Haas, W. R. Allan, G. H. Balfour, Hume Blake, M. Bull, Sir John W. Carson, C.B., E. L. Drewry, S. E. Elkin, A. Hitchcock, J. S. Hough, K.C., F. E. Kensaton, W. H. Malkin, R. O. McCulloch, G. M. Black, D. N. Finnie, George Kidd, R. T. Riley, H. B. Shaw, J. W. Hamilton, F. W. S. Crispo, Geo. Wilson, J. S. Hiam, W. J. Dawson, H. A. Robson, C. A. Neel, L. J. F. Van Riemsdyk, Dr. Harvey Smith, John W. Ward, Max Heppner, A. R. Leonard, H. A. Mullins, J. H. Turnbull, E. F. Stephenson, Isaac Campbell, K. C., J. B. Waddell, W. J. Christie, C. A. Adamson, W. K. C. Fisher, D. H. Bain, C. M. Scott, W. H. Williams, M. Snow, J. B. Persse, W. A. Windatt, J. A. MacLeod, A. P. K. Dickson, A. M. Stewart, W. W. MacMillan, F. W. Drewry, J. A. Tanner, C. D. Shepard, Jas. Fisher, K.C., C. P. Wilson, K.C., J. Woodman, G. A. Merrick, S. T. Hopper, J. D. McIntyre, K. F. Gilmour, N. R. Nagle, D. F. Rankine, G. S. Orde, S. E. Rae, J. Anderson, G. S. Harrison, R. H. Baird, A. A. Walcot, J. W. Millar, H. F. Forrest, E. D. McGregor, W. J. Cummings, C. R. Sanders, C. C. King, C. H. Hartney, C. MacMillan, G. F. Tweed, H. R. Tweed, Joseph Anderson, F. O. Robertson, P. Vibart, A. G. Ross, T. Craig, A. F. S.. Tatum, A. J. Wilson, W. W. Barry, T. S. Fulton, J. G. Vicq, D. M. Neeve, P. D'E Strickland, S. B. O'Connell, W. R. Bell, F. J. Willis, F. J. Boulton, E. J. Lockie, F. K. Wilson, G. R. Tinning, W. J. Swaisland, C. C. Balfour, H. C. McLean, W. Dunn, E. J. Roycroft, W. Mitham, O. F. Seeber, A. B. Nasmith, W. M. Chandler, G. T. Sewell, L. J. Elliott, W. L. Thorp, A. J. Sheard, A. G. Duncan, H. H. McKinnon, G. M. Proud, F. W. Smith, A. B. Rowan-Legg, H. A. Tubby, A. B. Jamieson, J. Cavers, W. R. Learmonth, F. C. Billingsley, E. E. Irwin, Geo. Howson, A. H. Sutherland.

On motion of Mr. Stephen Haas, the President, Mr. John Galt, took the chair.

The Chairman requested Mr. C. A. Neel to act as secretary of the Meeting, and Messrs. W. A. Windatt and F. W. Drewry as Scrutineers. (Approved).

The Secretary read the notice convening the Meeting, which was in the following terms:

Head Office, Winnipeg.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the UNION BANK OF CANADA for the Election of Directors, and other General Business, will be held at the Head Office of the Bank in the City of Winnipeg on Monday, the 10th day of January, 1921. The chair will be taken at 12 o'clock noon.

By Order of the Board,
H. B. SHAW, General Manager.

Winnipeg, November 6, 1920.

The Chairman read the Annual Report of the Directors.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report, showing the result of the business of the Bank for the year ended November 30th, 1920.

During the year 15 branches and agencies were opened, and 10 were closed, as follows:

OFFICES OPENED.

Province of Ontario, 6—Honeywood, Mansfield, Minesing, Oshawa, St. Anne's, Toronto (Dawes and Danforth).

Province of Manitoba, 2—Benito, McConnell.

Province of Saskatchewan, 5—Birch Hills, Carmel, Mossbank, Pinkham, Saskatoon (West Side).

Province of Alberta, 2—Calgary (Stock Yards), Edmonton (Stock Yards).

OFFICES CLOSED

Province of Manitoba, 5—Graysville, Homewood, Margaret, Roseisle, Winkler.

Province of Saskatchewan, 2—Kyleville, Scott.

Province of Alberta, 3—Alcomdale, Grassy Lake, Loyalist.

The number of branches and agencies in operation at the close of business on November 30th was 393.

The number of staff employed at close of business on November 30th was 2,303.

The usual inspection of all branches and agencies has been made.

In accordance with an announcement made by him at the last Annual Meeting, Mr. R. T. Riley, Vice-President of the Bank, has recently resigned from the Board, to devote more time to his own affairs, and Mr. W. R. Allan has been elected Vice-President to succeed him.

To fill the vacancies on the Board, Messrs. G. M. Black and D. N. Finnie, of Winnipeg, have been elected Directors.

JOHN GALT,
President.

PROFIT AND LOSS ACCOUNT

Balance at credit of account, 29th November, 1919..	$ 198,222.87
Net profits for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts, and for rebate on bills under discount, have amounted to	1,603,842.39
	$1,802,065.26
Which has been applied as follows:	
Dividend No. 132, 2½ per cent, paid 1st March, 1920	$ 198,247.45
Dividend No. 133, 2½ per cent., paid 1st June, 1920	199,988.80
Dividend No. 134, 2½ per cent., paid 1st September, 1920	199,996.30
Dividend No. 135, 2½ per cent, payable 1st December, 1920	200,000.00
Bonus to Shareholders of 2 per cent., payable 1st December, 1920	160,000.00
Transferred to Rest Account	400,000.00
Written off Bank Premises	150,000.00
Contribution to Officers' Pension Fund	50,000.00
Contribution to Sick Benefit Fund	15,000.00
War Tax on Bank Note Circulation to 30th November, 1920	79,536.24
Balance of Profits carried forward	149,296.47
	$1,802,065.26

General Statement of Liabilities and Assets AS ON NOVEMBER 30th, 1920

ASSETS

Gold and Silver Coin	$ 1,609,944.49	
Dominion Government Notes ..	16,976,372.00	
		$ 18,586,316.49
Deposit with the Minister of Finance for the purpose of the Circulation Fund		365,000.00
Deposit in the Central Gold Reserves		5,000,000.00
Notes of other Banks		818,333.00
Cheques on other Banks		9,180,179.97
Balances due by other Banks in Canada		158,330.90
Balances due by Banks and Banking Correspondents elsewhere than in Canada		4,551,868.87
Dominion and Provincial Government Securities not exceeding market value		8,790,636.23
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		11,900,843.26
Railway and other Bonds, Debentures and Stocks not exceeding market value		3,581,988.10
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks ..		5,418,177.66
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		3,119,133.81
Demand Loans in Canada secured by grain ..		10,732,755.47
		$ 82,203,563.26
Loans to Governments and Municipalities		7,648,176.39
Other Current Loans and Discounts in Canada (less rebate of interest)		69,849,784.93
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		4,496,251.20
Real Estate other than Bank Premises		229,079.49
Mortgages on Real Estate sold by the Bank ..		135,499.43
Overdue Debts, estimated loss provided for		162,403.97
Bank Premises, at not more than cost, less amounts written off		985,969.61
Liabilities of Customers unders Letters of Credit, as per contra		3,450,511.93
Other Assets not included in the foregoing		44,205.18
		$169,205,445.39

LIABILITIES

Capital Stock		$ 8,000,000.00
Rest Account	$ 6,000,000.00	
Balance of Profit and Loss Account carried forward	149,296.47	
	$ 6,149,296.47	
Unclaimed Dividends	17,838.68	
Dividend No. 135, payable 1st December, 1920	200,000.00	
Bonus to Shareholders, payable 1st December, 1920	160,000.00	
		6,527,135.15
		$ 14,527,135.15
Notes of the Bank in circulation	12,673,644.00	
Deposits not bearing interest ...	49,714,051.67	
Deposits bearing interest	85,610,464.14	
Balances due to other Banks in Canada	627,615.47	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	2,601,010.53	
		151,226,785.81
Acceptances under Letters of Credit		3,450,511.93
Liabilities not included in the foregoing		1,012.50
		$169,205,445.39

Report of the Auditors to the Shareholders of the Union Bank of Canada.

In accordance with the provisions of subsections 19 and 20 of section 56 of the Bank Act, we report to the Shareholders as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the Branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanation given to us, and as shown by the books of the bank.

T. HARRY WEBB, E. S. READ,
Auditors, of the firm of
GEORGE T. TOUCHE & CO.

Winnipeg, 20th December, 1920.

JOHN GALT, President. [illegible] SHAW, General Manager

Review and Forecast

PRESIDENT'S ADDRESS

Gentlemen:

It affords me very great pleasure again to meet you in Annual General Meeting.

The experience of the Bank in the financial year just closed is set forth in the statement which is now before you. Your Directors submit the statement with satisfaction. They recognize that vigilance and sound judgment on the part of the Executive throughout a difficult year materially contributed to such a good result.

I shall leave elaboration of the report in detail to the General Manager, but take occasion to call atention to the material increase of our Rest Account by the addition of $400,000.00 and to the fact of our position being such that we felt justified in declaring a cash bonus of two per cent. to our Shareholders. The transactions of the year have been satisfactory, and we are in a sound and healthy position.

All Resources Employed.

Our profits have been unusually good owing to the fact that, with due regard to the factor of safety, all our resources were fully employed. Our profits were not made at the expense of our borrowers, for the current rate of interest charged by banks in Canada has remained practically unchanged since 1914, and we have had none of the violent fluctuations and high rates from which other countries have suffered. Substantial enhancement of profits was due to the genereal banking facilities provided by the Bank to the community. These services became productive largely according to the measure of service rendered to their customers by the numerous Branch Managers and Staffs. In viewing the year's successful operations, due regard must be had to this valuable contribution.

The privilege of re-discounting with the Dominion Government has proved of the greatest service. It has enabled Canadian banks to take care of the country's trade throughout the period when high prices involved the employment of the vastly greater amount of capital than formerly, and to finance all legitimate requirements. This privilege does not appear to have been abused, and if continued, would afford all the necessary financial elasticity for period of expansion and would be quite the equivalent of the Federal Reserve Bank system now in existence in the United States. The close scrutiny by the Department of Finance of the collateral submitted provides an ample measure of safety.

Farming Industry.

Our farming industry has on the whole been satisfactory. The crop of 1920 in the Prairie Provinces passed through many vicissitudes. An unfavorable spring resulted in the late seeding of certain large areas, but good weather advanced the growth in a satisfactory manner. Abundant moisture was not general and, therefore, the yield in some sections of the country was light, but, on the whole, the crop was larger and of a better quality than of 1919.

In Manitoba the acreage under crop was approximately 6,350,000 acres, and the yield is the second largest in the history of the Province and probably of greater value than any former year, the returns being as follows:

	Bus. per acre.
Wheat	15.1
Oats	33.6
Barley	22.3
Flax	6.8
Rye	15.7

In Saskatchewan the acreage amounted to approximately 17,000,000 acres, and the average yield per acre for 1920 shows a satisfactory advance on the previous year, and while not the best in the history of the Province, a satisfactory crop was harvested, yields being as follows:

	Bus. per acre.
Wheat	11.2
Oats	27.7
Barley	20.2
Flax	4.8
Rye	13.8

In Alberta the acreage amounted to approximately 7,900,000 acres. The total production will equal, if not exceed, past records, averages being:

	Bus. per acre.
Wheat	21.50
Oats	38.50
Barley	28.00
Flax	8.25
Rye	23.75

The 1920 crop is the best since the record year, 1915, but high cost of production, combined with the decline in the market value of farm products, caused a heavy shrinkage in the volume of money at one time anticipated.

An open fall enabled the preparation of a large seeding area and as there was abundant moisture the spring crop should go in under favorable conditions.

Livestock Industry.

Turning to the livestock industry the year has witnessed a marked shrinkage in values. In the case of cattle, sheep and hogs, price records for 1920 show a decline of practically ten cents per pound live weight between the high and low points of the market. This was apparently due to a limited demand from foreign countries and a pronounced decline in the values of by-products.

Foremost in the minds of cattle producers is the thought of the proposed duty against Canadian cattle entering the United States, and its possible effect. The American market has provided such a healthy outlet for the bulk of our good feeder cattle in past years that a barrier against this market may injure our prices in Canada. Relief would be found in the removal of the British embargo, and it is to be hoped that our Government will not cease in their efforts in this direction. If the Canadian cattle raiser is to be confined to the Canadian market entirely, prices will be low.

Upon comparing the trade in 1919 and 1920, it is found that a total of 1,022,134 animals were marketed at the five central stock yards in Western Canada during 1920 and were valued at $51,045,176. During 1919 a total of 1,243,399 head were marketed and were valued at $65,285,941. Comparison of the two years' statistics shows during 1920 a decrease in receipts of 221,265 animals and a decline in value of $14,240,765, as compared with 1919.

It is hoped that conditions may soon improve and give greater encouragement to this important Canadian industry.

Economic Conditions.

Resumption of production overseas has conduced to restrict markets for Canadian products. Nevertheless trade in Canada in 1920 was on the whole active, and there were few failures. But the strong tendency prevailing towards a falling of commodity values has become acute and a more difficult financial situation confronts us. It is, however, a great error to magnify this condition even though we are facing a period of readjustment.

The economic conditions of the country for the recent past and particularly in the year just closed point to the imperative need there is for continued access for Canada to the world's markets. The demands made upon us from abroad for our natural and manufactured products during the war may never be wholly repeated. Nevertheless these demands brought about a world-wide knowledge of our products which, coupled with a high standard of business dealing, created a good-will abroad towards Canada. There should be untiring persistence in assuring the permanency of the commercial relations so established. This is undoubtedly a question in which the Banks are materially interested. Just as the country's home and foreign trade progresses, so does the welfare of the Banking institution.

The dislocation in all exchanges is giving concern to Bankers the world over. The only solution lies in increased production, thrift and in the further increase of our exports.

Deflation Period.

The inevitable period of deflation has undoubtedly arrived. There is nothing to warrant us in taking a despondent view of the present or encouraging dismal prognostications of the future. With Canada's potential wealth so easily realizable there is nothing to prevent our surviving a temporary depression, and emerging therefrom in circumstances more fortunate and prosperous than will generally be found to exist the world over. But there must be a determination for harmony and unity among all classes, close application to industry and production, intensive educational and scientific development, a sound foreign trade policy and a fearless entrance into all fields of competition.

We have reached an acute stage in which it will be most unfortunate if our thoughts are distracted by the conflict of local interests. It is not sufficiently felt that Canada is one unit where the greater welfare is concerned. It is submitted that there should be adopted an all-Canadian policy which will encourage development and production in all portions of the Dominion.

Export Markets.

It is clearly now the critical hour and the commercial flag of Canada should be carried into every available market abroad. A larger vision and determination of this kind is necessary. We must either go forward or go back, and it cannot be thought that we are to recede into the position of a country that merely produces for home consumption when we have demonstrated that we have the means and capacity for world competition in almost any avenue of trade. Our Banking system has proven to have been at the same time conservative and progressive. Its soundness requires no demonstration and on the other hand its elasticity and adaptability to great emergencies have recently been conspicuous.

Advisory Committees.

The thanks of our Shareholders are due to our Advisory Committees in London, New York, Montreal and Vancouver. At all these points the closest attention has been given to the Bank's affairs with results that are eminently satisfactory and are apparent in the Balance Sheet which is in your hands to-day. We have indeed been fortunate in enjoying the services in London of such men as Sir Austin Harris, Sir Keith Price and Messrs. Blair and Small; in New York of Messrs. Stuyvesant Fish and Gilbert Thorne; in Vancouver of Messrs. Blake Wilson and George Kidd, and in Montreal of Mr. J. B. Waddell.

We are pleased to report a steady and satisfactory growth in the figures of the Park-Union Foreign Banking Corporation with which we are closely associated. It promises to be a valuable adjunct to this Bank and of material assistance in developing foreign trade.

It is pleasing to observe the attendance here to-day of so many of your Directors from other Provinces. Except where prevented by illness or disability, they have all come together on this occasion. This fact denotes the active interest taken by all these gentlemen in the welfare of the Bank.

New Officers.

As was intimated at our last Annual Meeting, our good friend, Mr. R. T. Riley, bade us an official farewell during the year. Mr. Riley found it necessary for personal reasons to lighten somewhat the load of public responsibilities which he has been carrying so long. The Bank is greatly indebted to Mr. Riley for his wise counsel in many years past. He has expressed his readiness to assist us on any occasion when that might be desired. We feel, therefore, that Mr. Riley is still in effect one of us. It would be impossible to think of him otherwise. The Vice-Presidency vacated by Mr. Riley was filled by the appointment thereto of Mr. W. R. Allan. That we are fortunate in that appointment is apparent, and needs no emphasis. Mr. Allan's wide experience, his good judgment and business acumen eminently fit him for the position.

Owing to vacancies it became necessary to elect two new Directors to the Board. Messrs. G. M. Black and D. N. Finnie were appointed. These gentlemen are highly regarded both [illegible] in other parts of Canada. Mr. [illegible] has been for many years associated [illegible] financial interests and has proven [illegible] self of sound judgment and [illegible] capacity. Mr. Finnie brings to us [illegible] able commercial experience gained [illegible] manufacturing and mercantile [illegible] We are fortunate in their acceptance [illegible] the trust.

In conclusion I may say your Direct[ors] will exercise courage and discre[tion] in dealing with all problems that [illegible] come before them during the year. [illegible] believe that the sagacious policy [illegible] lowed by our Executive will enable [illegible] to show good results for the [illegible] year, and that the Union Bank will [illegible] its full share in maintaining con[illegible] and in rendering service to its custom[ers] and to the public.

Marked Progress During Year

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:

It is a pleasure to present to [illegible] satisfactory report of the opera[tions] of the Bank for the past year.

Owing to the high prices of all [illegible] modities during that period and to [illegible] very heavy public and private unfund[ed] indebtedness of Great Britain and [illegible] ope to this continent, the demand [illegible] banking credit has been without [illegible] ent. Constant watchfulness has, [illegible] fore, been necessary to protect the [illegible] terests of our shareholders and depos[it]ors and, at the same time, to provide adequate banking credit for our [illegible] tomers.

The large increase in our loans [illegible] to this inflation has naturally [illegible] in substantial profits, and I feel [illegible] duty to point out that the period [illegible] deflation upon which we have now [illegible] tered does not promise such favorable results for 1921. We shall welcome [illegible] deflation even though it is at the [illegible] pense of our earning smaller profits.

Assists Grain Movement.

The peak of the Bank's loans at [illegible] 000,000 was reached in September, [illegible] since that time a steady reduction [illegible] taken place, until our commercial [illegible] to-day are down to approximately [illegible] 000,000, and our loans to Govern[ments] and municipalities $7,648,000. Our [illegible] for the purpose of assisting in the grain movement amount to approximately [illegible] 000,000, thus demonstrating that we [illegible] meeting all demands made upon us [illegible] this important business.

Our policy of rendering the necess[ary] assistance to farmers and ranchers [illegible] production purposes during the [illegible] was, we believe, a wise one, as it [illegible] ried them over a very trying period [illegible] prevented undue hardships. We feel [illegible] we pursued the right course, though [illegible] taxed our resources at the time.

The rediscounting privileges av[ailable] with the Dominion Government, [illegible] the War Finance Act of 1914, were [illegible] extensively for this purpose, and [illegible] Minister of Finance is to be strongly endorsed for taking the position [illegible] the legitimate needs of the country [illegible] be financed over a difficult period, [illegible] though it meant further inflation of [illegible] temporary character. Since the end [illegible] the year we have repaid all loans [illegible] tained under the above Act.

Bank's Liquid Position.

I am pleased to draw your attention to our liquid position at the present time. It is worthy of notice that the ratio of loans to deposits of all [illegible] Canadian banks is now considerably low[er] than it was in the year 1914, [illegible] that the Bank's Reserves to Public Lia[bi]lities are higher than they were [illegible] that year.

The profits for the year have enabled the payment of a bonus of two per cent to the shareholders, in addition to [illegible] regular annual dividend of 10 per cent and we have also been able to add $400,000 to the Rest Account, bringing the fund up to an even six million dollars.

Comparing various items in the Balance Sheet with those of last year, we find:—

Capital Account.

The Paid-Up Capital of the Bank [illegible] stands at $8,000,000. Last year [illegible] shareholders numbered 3,925 and this year we have 4,211.

Rest Account.

An addition of $400,000 has been made to the Bank's Rest Account during the year, bringing it up to $6,000,000, or [illegible] per cent. of the Capital, as compared with 70.28 per cent. last year.

Profit and Loss Account.

Net profits of $1,603,842.39, after deducting the usual expenses and provisions, show an increase over the previous year of $671,585.59. These [illegible] earnings are 11.45 per cent. on our Capital and Reserve, as compared with [illegible] per cent. last year. The earning power of our new Capital is reflected in the improved figures.

Deposits.

The total Deposits of the Bank aggregate $135,324,515.81, which is approximately the same as last year.

Interest Bearing Deposits.

These show an increase of $1,[illegible] 754.35, while non-interest bearing deposits show a decrease of $1,405,[illegible] The latter was not unexpected, as we had several large balances of a temporary character.

Cash Reserves.

Our holdings of Gold and Silver Coin and Dominion Notes amount to $18,586,316.49, being 12.70 per cent. of our Liabilities to the Public, as compared with $14,678,725.93 last year, with [illegible] ratio of 9.1 per cent.

Quick Assets.

The percentage of Quick Assets to Total Liabilities to the Public is [illegible] per cent., as compared with 47.23 per cent. last year.

Dominion and Provincial Government Securities.

The figures this year are $8,790,[illegible]

compared with $13,048,913.69 last year, a decrease of $4,258,277.46, or 32.63 per cent. This shrinkage is entirely due to the payment at maturity of various issues of our holdings of Dominion of Canada Treasury Bills throughout the past year.

Canadian Municipal and British and Foreign Securities.

These total $11,900,843.26, compared with $15,818,016.79 last year, a decrease of $3,917,173.53, or 24.76 per cent., which is very largely due to the payment at maturity of certain issues of Imperial Treasury Bills which we held.

Call and Short Loans in Canada.

The figures this year are $5,418,177.66 compared with $3,439,410.79, an increase of $1,978,766.87.

Call and Short Loans Elsewhere Than in Canada.

The total this year is $3,119,133.31 as compared with $7,956,854.74 in 1919, a decrease of $4,837,721.43 or 60.79 per cent. This item refers more particularly to our business in London and New York and is of a fluctuating character.

Current Loans in Canada.

Two new headings appear in the statement this year which were included in 1919 under Current Loans in Canada. These are "Demand Loans in Canada Secured by Grain," amounting to $10,-772,755.47; and "Loans to Governments and Municipalities," amounting to $7,-088,176.39. If we include these two headings with Current Loans and Discounts in Canada we find a total increase of $1,701,560.62 over last year's figures, as our commercial loans stand at $69,849,784.93.

Current Loans Elsewhere Than in Canada.

The figures are $4,496,251.20 as compared with $3,672,372.29 last year, an increase of $823,878.91 or 22.43 per cent.

Liabilities of Customers Under Letters of Credit.

These amount to $3,450,511.93 as compared with $7,156,940.91 in 1919. The decrease of approximately $4,000,000 is due to the world-wide contraction of business which has manifested itself during the last few months.

Central Gold Reserves.

The figures this year show a reduction of $500,000 as compared with 1919, the amount now on deposit being $5,-000,000.

Bank Premises.

The figures this year are $985,969.61 as compared with $532,740.61 in 1919 an increase of $453,229.00. It has been found necessary to erect our own premises at many of the smaller points during the past year.

Total Assets.

Total Assets of the Bank now amount to $169,205,445.39 as compared with $174,989,057.47 last year, being a reduction of approximately $5,700,000. This small reduction cannot be considered unsatisfactory in view of the existing conditions during the last four months. The period of deflation upon which we have entered is already having its effect on our figures and we cannot look forward to any large increase during the coming year unless we are blessed with a very bountiful harvest.

General Remarks.

Due to the unsettled conditions which have obtained throughout the whole world during the year under review, business has not been normal and has caused Bankers much anxiety.

At the beginning of the year we were on the crest of a wave of prosperity which it was most difficult to breast. Unfortunately, there are many people who do not or will not recognize the fact that prosperity is an abnormal condition of affairs, and that it means that trade conditions are above the level; conversely, depression means that trade conditions are below the level, but between the two is a normal line which indicates steady and healthy progress. Prosperity, at its height, can only travel a certain distance before there is the inevitable reaction. Our Bank, in common with others, did its best to promulgate this view in the early part of the year, and warned the public to prepare for a change in conditions, but by many the warning was not heeded. Dealers consequently found themselves with large stocks purchased at high prices and, owing to diminished purchasing power on the part of the public, their credits became frozen and were not liquidated as they should have been. They must now take the consequences and be prepared to accept losses, which may largely offset their profits of the last few years.

There is, unfortunately, still a hope in the minds of some that the recession of prices is temporary, and that, through curtailed production, prices will again revive. We think this a mistaken idea and shall do our best to prevent the holding of surplus stocks in the hope of higher prices.

It is reasonable to expect that a return to normal conditions in this splendid country of ours can be accomplished without undue commercial mortality if manufacturers, wholesalers and retailers will only realize the necessity of marketing their goods in a steady and orderly fashion.

The British Plan.

The country's large national debt and the steadily increasing unfavorable trade balances point to the necessity for coordinated action on the part of our manufacturers, with a view to the development of business in foreign markets. The plan adopted by British Manufacturers is well worthy of the attention of Canadian Manufacturers. It may be stated briefly that an organization has been formed representing upwards of 17,000 British manufacturing concerns covering all classes of British industry, whose object is by mutual effort and harmonious co-operation to promote British trade with the World to the utmost possible degree. The organization is known as the "Federation of British Industries," and I venture a recommendation to Canadian manufacturers to acquaint themselves more closely with its aim and methods.

It is now generally admitted that the total wheat crop of the three Prairie Provinces is considerably below the estimate of 263,000,000 bushels made by the Federal Government. There were large areas in the three Prairie Provinces where the grain ripened very quickly, with the result that the yield was appreciably lessened. It is, of course, impossible, even at this date, to give an accurate estimate of the total yield, but the best opinion does not grant a maximum of more than 220,000,000 bushels.

Crop Movements.

From September 1st, the beginning of the crop year, to December 31st, approximately 150,000,000 bushels were marketed, of which 123,000,000 bushels were shipped to Fort William, Port Arthur and Canadian mills and 5,000,000 direct to the United States, leaving about 22,-000,000 bushels in country elevators. Approximately 89,000,000 bushels have been shipped from Fort William and Port Arthur, 70 per cent. of which was destined for United States ports. It is estimated that 30,000,000 bushels are being held unsold in country and terminal elevators and in transit to Fort William and Port Arthur, which, together with 35,000,000 bushels held by the farmers over and above their seed requirements of 35,000,000 bushels, leaves approximately only 65,000,000 bushels still to be sold, from the proceeds of which will have to be deducted advances already made against the unsold grain in storage. On the basis of No. 1 Northern in store in Fort William and Port Arthur, the average prices obtained are as follows:

August	$2.74
September	$2.73½
October	$2.32
November	$2.05
December	$1.97½

Our wheat this year has proved to be of a very high quality, 87½ per cent. of all cars inspected being of contract grade. This quality has created a demand for our wheat both in Europe and the United States for the purpose of mixing it with softer wheats and those of a lower percentage of gluten. These purchases have been almost entirely for immediate delivery, thereby causing a substantial cash premium over deferred positions. This has resulted in the withholding of wheat by the producers until it was available for spot or track delivery, thus the handling of our crop to date has been on a much more rapid turnover basis than in ordinary years and the banks have had to supply less money for this purpose than usual.

Eastern Crops.

The total value of field crops in the Eastern Provinces for 1914 amounted to $349,000,000, or 54 per cent. of the total, and that of the West to $289,000,000, or 46 per cent. of the total. In 1920 the total value of the Eastern crop was $858,000,000, or 52 per cent., and in the West $778,000,000, or 48 per cent. The increased production of 1920 as compared with 1914 amounted to $509,000,-000, or 145 per cent. in the East, and $488,000,000, or 168 per cent. in the West.

It is pleasing to note the provision that has been made for scientific development of our agricultural interests, as evidenced by our educational institutions established for that purpose, and the voluntary agencies of our agriculturists formed to disseminate special knowledge for the encouragement of their industry. Our practical farmers have an unerring knowledge of their own needs and interests, and have shown high intelligence and energy in promoting their permanent welfare. By their action they have made it clear that Canada is a prosperous land for the earnest and intelligent farmer and stockraiser. In the highly important phase of community life and in that of rural education advances have been made which have, in many well-settled areas, removed in large part the early pioneering disadvantages and hardships.

Splendid Future.

This is no time to harbor unfounded fears which paralyze industry, but rather to go forward in the confidence that we have a land of plenty. It is a wonderful heritage and demands our best endeavors. If these are given with prudence, hard work and economy the future should yield up a full measure of prosperity. I have abundant faith in the future of our country, its institutions and the ability of our people to build up a nation of high ideals and sound citizenship.

Staff.

We have now completed the readjustment of our staff, thoroughly disorganized during the war, and have absorbed into the permanent service all those employed in a temporary capacity who wished to remain and whose services were found to be satisfactory. We still find it difficult to obtain a sufficient number of desirable young men as juniors.

Our staff now totals 2,313, of which 1,606 are males and 707 females. I cannot speak too highly of the loyalty and devotion of these officers and of the splendid work they are performing.

In conclusion I should like to give you my assurance that no effort will be spared and no labor considered too heavy to uphold the important position which this bank has attained in the financial life of our Dominion.

Canada Should Wake Up

MR. KENASTON'S ADDRESS.

Mr. President.—If I may be permitted to diverge from the subject of vote of thanks to the members of the different Committees, I would like to say a word respecting the reference made by the General Manager to the Agricultural Schools, which are furnishing scientific instruction to the farmers of the country and the great benefits being derived therefrom.

There is no question but what scientific farming is now, and will later on bring wonderfully satisfactory results to all of Canada and it is a matter which should encourage the most loyal support of all good citizens of the Dominion.

Protective Tariffs.

I wish to go on record as being in full accord with this great work, but there is still another very important subject to which I would like to call your attention to-day and that is the subject of rendering scientific aid to the manufacturing industries of Canada. You are buying from the United States approximately one billion dollars' worth per annum, or at least that is the approximate figure which your imports from that country will reach during the current year past.

To-day there is an exceedingly strong element in the United States which is clamoring for a protective tariff against the import of wheat, cattle and other farm products from Canada. I hope that the bills introduced asking for these duties will not be enacted into laws, but the chance is that they will be.

Balance of Trade.

Now that your very heavy imports from the United States and your handicap in exporting your chief products there to assist in paying for such imports will leave you with an extraordinarily heavy balance of trade against you; this balance of trade can only be covered by making loans payable in United States funds in New York.

For the present time the people of the United States are quite willing to buy Canadian bonds with principal and interest payable in their own funds, but there is bound to come a day of reckoning for you when these debts must be paid, and it seems to me most wise at this particular time that the best thought of Canadian statesmanship should devote itself to devising such means as will enable Canada, in so far as is possible, to manufacture within her own borders the things that she needs as well as as large an export business as can be reasonably handled.

Canada's Rich Resources.

Canada has wonderfully rich natural resources, including timber, minerals and oil. Naturally there will be discovered, from time to time, valuable metals and resources unknown at the present time. The assembly and practical use of these resources and best method of utilizing their value in manufactured articles is a subject which should be most carefully studied.

The individual manufacturer can neither afford the time nor the expense to pursue this study as it should be done, therefore it seems to me wise that the Government, in the interest of the whole people, might well devote a reasonable sum from income and excess profits taxes to the establishment of a department to be organized and operated under Government control for the purpose of analytical research of the natural resources of Canada and the best application of the same for the use of manufacturers and general commerce.

Germany and Canada.

A concrete example of resultant benefits of Governmental aid, such as is suggested, may be had by referring to prewar Germany and the eminence to which the Germans had attained in research work and practical science as applied to manufacture and general use of their discoveries. Germany as compared with Canada was, and is, very poor in natural resources, and it was only through the strict application of her intelligent research that she was able to attain her then commercial position in the world.

Canada, Wake Up!

Another reason why it seems to me that Canada should wake up at the present juncture is the fact that the more progressive countries of the world are emerging from the state of confusion resulting from the great war just as rapidly as they can, and, in common vernacular, "it is up to us to get busy" unless we wish to be left behind in the race.

General Proceedings of the Meeting

Mr. John Galt moved, seconded by Mr. Stephen Haas, that the report be adopted and that it be printed for distribution.

The Chairman informed the meeting that the retiring auditors were eligible for re-election, and that no other nominations had been received. It was then moved by Mr. James Fisher, K.C., an seconded by Mr. W. J. Christie, that Messrs. T. Harry Webb, C.A., and E. S. Read, C.A., of the firm of Messrs. George A. Touche & Co., be reappointed as auditors of the Bank.—Carried.

It was then moved by Mr. Jame Fisher, K.C., and seconded by Mr. W. J. Christie, that a sum not exceeding $10,-000 be set apart by the directors for the remuneration of the auditors, to be apportioned by them as may be deemed advisable.—Carried.

The Chairman stated that it was required to provide additional remuneration for the directors to the extent of $30,000, and asked the Secretary to read the proposed amending by-law.

The by-law having been read, it was moved by Mr. C. P. Wilson, K.C., and seconded by Mr. J. H. Turnbull, that the by-law be now passed and enacted by the shareholders accordingly.—Carried.

It was moved by Mr. E. L. Drewry, and seconded by Mr. R. O. McCulloch that the meeting proceed to the election of twenty directors for the ensuing year, and that the Chairman do cast one ballot for Messrs. W. R. Allan, G. H. Balfour, G. M. Black, Hume Blake, K.C., M. Bull, Sir John W. Carson, C.B., B. B. Cronyn, E. L. Drewry, S. E. Elkin, M.P., D. N. Finnie, John Galt, S. Haas, A. Hitchcock, J. S. Hough, K.C., W. H. Malkin, R. O. McCulloch, F. E. Kenaston, Sir Wm. Price, Wm. Shaw and G. H. Thompson.

The motion was carried unanimously. The ballot being cast, the scrutineers reported these gentlemen elected as directors of the bank for the year ending November 30, 1921.

It was moved by Mr. J. B. Persse and seconded by Mr. J. Wodman, that the thanks of the shareholders be tendered to the honorary president, president, the vice-presidents and the directors of the bank for their valued services during the year.—Carried.

Mr. Stephen Haas and Mr. W. H. Malkin responded.

It was moved by Mr. F. E. Kenaston and seconded by Mr. W. R. Allan that thanks be tendered the gentlemen on the bank's advisory committees.

Mr. George Kidd and Mr. J. B. Waddell responded.

It was moved by Mr. Isaac Campbell, K.C., and seconded by Mr. G. A. Merrick, that the thanks of the shareholders be hereby tendered the general manager, assistant general managers, superintendents, inspectors, managers and other officers of the bank for their efficient services during the year.—Carried.

Mr. George Wilson and Mr. W. J. Dawson responded briefly on behalf of the staff.

The president then called upon Mr. R. T. Riley to address the meeting. Mr. Riley stated that this was an unexpected pleasure. In the course of his remarks, Mr. Riley drew attention to the fact that as a young man he remembered the Central West States, such as Iowa and Nebraska, during the process of expanding population, and stated it as his belief that the Prairie Provinces to-day stood in the same relation to the future; and that whereas the total assets of the Union Bank of Canada may now be $170,000,000, yet he believed that within the lifetime of most of those present they would see those assets increased to $570,000,000.

Mr. H. A. Mullins, rising to order, endorsed the president's remarks with regard to the embargo on cattle, outlining the present position of the Canadian livestock market at some length.

The meeting then adjourned.

At a subsequent meeting of the newly-elected directors, the following officers were elected: Sir William Price, honorary president; Mr. John Galt, president; Mr. G. H. Thompson, Mr. Stephen Haas, and Mr. W. R. Allan, vice-presidents.

THE FUTURE OF THE AUTO INDUSTRY

No One in the Trade Looks for An Early Repetition of the Boom Period

NEW YORK—While the automotive industry has entered 1921 somewhat shaken from last year's unexpected happenings, it is nevertheless in fairly good condition and in optimistic mood. No one in the trade expects an early repetition of the boom period which characterized the first half of last year, but rather a gradual return to more normal conditions, on which basis the well founded companies can prosper.

An outstanding feature of the industry's preparations for the coming season is the repeatedly expressed determination to profit from the experiences of 1920. The motor manufacturers are exercising every precaution to guard against the possibility of again running into a condition similar to that in which they found themselves last Summer when demand suddenly fell off when production was near its peak. Because of these efforts to prevent any possibility of over-production, no large scale operations are looked for in the immediate future. As a matter of fact, one of the largest passenger car manufacturers has adopted a policy of turning out no cars other than those for which it has bona-fide orders.

As a result of expansion programs undertaken during 1919 and the first half of 1920 most automobile companies have manufacturing capacities from 50% to 100% greater than at the close of the war. Much of this added capacity probably will lie idle for some time, but the industry as a whole is firm in the belief that only the beginning of its possibilities has been entered upon.

It is pointed out that aside from a domestic replacement demand calling for upwards of a million passenger cars a year and the practical certainty of at least 250,000 new buyers coming into the market each year, the undeveloped foreign fields offer almost unlimited prospects.

The tractor business, into which numerous automobile companies have entered, has been largely overdone and while this field offers wide possibilities its development probably will be slow.

For the motor truck end of the industry brighter prospects are seen, although at the moment sales are more or less stagnant. The motor truck has advanced to an imortant position in the nation's transportation system and with the continuous improvement of highways its field of activity is being steadily broadened.

American steamship companies operating on Pacific Coast will cut crew wages $10 a month and eliminate all overtime. Companies on Atlantic have contract with seamen's union holding them to present scale until May 1.

BUILDING TOTALS FOR 1920 SHOW A FAIR INCREASE

Stand at $107,828,855 Compared With $81,678,152 For 1919

DECEMBER'S FIGURES

Indications Point to Improvement in Conditions Which Will Make a Revival in Building Possible

Building activities which had been on the wane throughout Canada during the later months of last year made a further decline for the month of December. The value of building permits for the last month amounted to $4,067,274, which compares with $4,979,302 for the corresponding month of the previous year, and $4,-903,253 for November last. It is only in comparison with some of the earlier months of the year that the extent of the decline can be realized. The returns for April, the leading month of the year aggregated $16,-085,649, for May $13,953,688, and for June $13,278,300. From that time on the building trades were hampered by increasing difficulties arising out of the unprecedented costs of materials and labor, and the acute scarcity of money that developed. The totals for the balance of the year show substantial declines.

The returns for the year, however, indicate a fair increase over the total for the previous year, standing at $107,828,855, as against $81,678,152, or an increase of $26,150,703. The cities of eastern Canada report a total of $80,307,065 for the year against $68,256,467, and the western cities, $27,621,790 compared with $13,421,-685.

For the past month Toronto reports a total of $1,117,083, which is an extensive decline over the return of $2,-039,625 for December, 1919. Montreal's total stands at $672,900 compared with $658,401 last year. The city of Halifax has suffered a conspicuous decline from $314,340 for December, 1919, to $47,155 last month, while Peterborough figures advance from $3,243 a year ago to $392,724 last month. Vancouver also reports a fair improvement from $118,453 to $320,905.

For the complete year Toronto's returns total $25,784,732, against $19,-819,436. While this is a very substantial increase the year's returns do not constitute a record, falling short by nearly $2,000,000 of the best year prior to the war. The majority of Canadian cities report an increase for 1920 over the returns of 1919, some of the exceptions being Halifax, with a decline of $1,774,267; Moncton, $932,003; Brantford, 373,817; Guelph, $109,101; Hamilton, 747,242; Kingston, $132,944 and London, $308,865.

The year, 1921, opens with conditions still abnormal. Building during the present year will be guided by the extent of the decline in the costs of materials and labor, and in the easing up of the money situation. Every indication points to a substantial improvement in these factors, and builders generally are hopeful that the Spring months will witness a revival of activity on a par with that of last year.

The following are the important permits issued during December: Sherbrooke, candy factory, $25,000; Hamilton, factory addition for the Canadian Westinghouse Company, $125,000; London, Y.M.C.A. building, $50,000; Peterborough, transformer building, $210,554; annealing building, $60,000; punch press shop, $119.145, all for Canadian General Electric Company; Port Arthur, planing mill, $4,000; Windsor garage, $70,000; York Township, storehouse, $12,000; Winnipeg, addition to St. John's College, $20,000; Calgary, school $157,-000; Regina, police station, $28,000.

WAGES REGULATED BY PURCHASING POWER OF MONEY

Continued from page 2

stuffs and raw materials for all Western Europe and that whenever Russia comes back, demands on the United States and Canada will be lessened.

This last question asked is, how is the changed situation to be made clear to the wage-earner?

The answer is to point to the facts and ask him to investigate them for himself. It is to his interest to know the truth. We live in a different state of society from that of two or three generations ago when the population was small and supplied its wants by means of hand industries. Everybody is selling his products or services for money, but in the last analysis all are exchanging goods and services with one another. Money is only a means by which the exchanges are conveniently made; in the end this trading must be on a fairly equitable and balanced basis, or the whole system will break down. If any large part of the population is deprived of ability to purchase the products of others the whole organization is demoralized.

Advances During War

It was right and necessary when farm products were forced up by the war that wages should be advanced to correspond with them. The wage-earner had to have more pay to enable him to live; it was necessary to maintain the balance between the industries. It is true that there was great unevenness in the advances; in some industries the higher cost of living was more than covered by the wage advances, but in many of them the advances were not sufficient to cover it. That should be considered in the readjustment.

But now that farm products have had this big drop, the situation is out of balance. Suppose we look at the case of the grower of cotton or wool: He sells his cotton at 15 to 17 cents per pound instead of 30 to 40, or his wool at 20 cents, formerly 60; it passes through the hands of the railway employees, whose wages have been increased over 100 per cent., to cotton mills, where it is made into cloth by workmen whose wages have been increased 150 per cent., and is made into clothing by workers whose pay has been increased 100 per cent., or more, and finally comes back in the form of clothing for him to buy. How much can he buy under these conditions?

I can imagine someone saying: "We have got to hold all that we gain; if we begin to give way there will be no stopping until we are worse off than we were before."

There is no sacrifice of real gains in taking lower wages in money if the purchasing power of the wages is not reduced. While wage-earners should not be asked to sacrifice real gains, they ought not to try to make gains at the expense of the farmer.

BUILDING PERMITS ISSUED IN DECEMBER

Eastern Cities.

	Dec., 1920.	Dec., 1919.	Change	12 mos. 1920	12 mos. 1919	Change
Maritime—						
Halifax	$ 47,155	$ 314,340—	$ 267,185	$ 3,420,539	$ 5,194,806—	$ 1,774,267
Moncton	16,350	58,100—	41,750	1,201,673	2,133,676—	932,003
St. John	182,000	......+	182,000	1,035,000	506,540+	528,460
Sydney	5,770	32,843—	27,073	850,332	703,741+	146,591
Quebec—						
Montreal	672,900	658,401+	14,499	14,358,355	10,033,901+	4,324,454
Quebec	80,660	91,150—	10,490	2,301,480	2,134,219+	167,261
Sherbroke	28,500	15,600+	12,900	3,265,538	872,150+	2,393,388
Westmount	92,280	47,200+	45,080	1,179,890	883,131+	296,759
Ontario—						
Brantford	5,080	78,325—	73,245	799,763	1,173,580—	373,817
Chatham	5,200	10,610—	5,410	386,634	291,547+	95,087
Fort William	1,825	850+	975	1,045,160	627,930+	417,230
Guelph	4,200	4,100+	100	494,158	603,259—	109,101
Hamilton	192,550	180,750+	11,800	4,340,220	5,087,462—	747,242
Kingston	1,655	143,885—	142,230	524,736	657,680—	132,944
Kitchener	1,320	17,380—	16,060	1,277,595	1,176,662+	100,933
London	117,590	431,200—	313,610	2,146,305	2,455,170—	308,865
Ottawa	92,700	118,575—	25,875	3,355,662	3,232,322+	123,340
Peterborough	392,724	3,243+	389,481	939,700	196,368+	743,332
Port Arthur	4,755	1,714+	3,041	216,350	1,708,845—	1,492,495
St. Catharines	19,199	29,125—	9,926	830,632	861,636—	31,004
St. Thomas	......	1,050—	1,050	258,821	285,525—	26,704
Stratford	355	1,433—	1,078	440,782	278,829+	161,953
Toronto	1,117,083	2,039,625—	922,542	25,784,732	19,819,436+	5,965,296
Welland	4,045	350+	3,695	299,420	369,235—	69,815
Windsor	115,050	73,060+	41,990	4,850,310	2,601,370+	2,248,940
Woodstock	13,431	2,325+	11,106	290,928	126,322+	164,606
York Twp.	110,400	143,450—	33,050	4,312,350	4,241,125+	71,225
Total 27 E. cities..	$3,324,777	$4,498,684—	$1,173,907	$80,207,065	$68,256,467+	$ 11,950,598

Western Cities.

	Dec., 1920.	Dec., 1919.	Change	12 mos. 1920	12 mos. 1919	Change
Manitoba—						
Brandon	$ 6,602	$ 7,160—	$ 558	$ 412,829	$ 98,541+	$ 314,288
St. Boniface	13,625	2,000+	11,625	465,992	360,435+	105,557
Winnipeg	93,900	149,450—	55,550	8,370,150	2,948,000+	5,422,150
Alberta—						
Calgary	203,400	34,000+	169,400	2,806,100	2,211,100+	595,000
Edmonton	8,900	19,000—	10,100	3,231,955	931,346+	2,300,609
Lethbridge	9,900	.....+	9,900	252,090	162,110+	89,980
Saskatchewan—						
Moose Jaw	6,365	48,900—	42,535	1,533,095	590,895+	942,200
Regina	43,800	12,400+	31,400	2,597,920	1,699,020+	898,900
Saskatoon	7,150	29,555—	22,405	1,150,585	1,404,590—	254,005
Weyburn	575	.....+	575	2,376,991	130,155+	2,246,836
Yorkton	15,075	50,200—	35,125	418,195	447,800—	29,605
British Columbia—						
New Westminster ...	12,300	9,500+	2,800	296,015	166,282+	129,733
Vancouver	320,905	118,453+	202,452	3,709,873	2,271,411+	1,438,462
Prince Albert	2,000	21,575—	19,575	471,775	275,576+	196,199
Medicine Hat	4,050	....	......	......	......	......
Total, 13 W. cities..	$ 742,497	$ 480,618+	$ 261,879	$27,621,790	$13,421,685+	14,200,105
Gd. total, 40 cities.	$4,067,274	$4,979,302—	$ 912,028	$107,828,855	$81,678,152+	$ 26,150,703

TOTAL VALUE OF FIELD CROP IS BEST ON RECORD

The Total for All Yields Runs Close to $1,500,000,000

PRICES ARE LOWER

Good Showing Is Due to Fact That 1920 Harvest Was Better Than That of Previous Year

OTTAWA.—The Dominion Bureau of Statistics issued to-day its final annual report on the area, yield, quality and value of the field crops of Canada for the year 1920, as compared with 1919. The total yield of wheat in Canada for the year 1920 is now finally returned as 263,189,000 bushels from 18,232,374 acres, as compared with 193,260,400 bushels from 19,125,968 acres in 1919 and with 254,480,440 bushels from 16,342,969 acres, the annual average for the five years 1915-19. The total yield for 1920, as now reported, is 30,171,700 bushels less than the provisional estimate of 293,361,000 bushels, issued by the Bureau on October 29, this difference being mainly due to the disappointing yield per acre in Saskatchewan, which turned out to be only 11.2 bushels instead of 13¾ bushels as then reported. The average yield per acre for Canada is 14½ bushels, as against 10 bushels in 1919 and 15½ bushels the five-year average.

For oats, the finally estimated production is 530,709,700 bushels from 15,849,928 acres, as compared with 394,387,000 bushels from 14,952,114 acres in 1919. The total is 12,348,300 bushels less than the Bureau's provisional estimate of October 29 last. The average yield per acre is 33½ bushels as against 26¼ bushels in 1919 and 32 bushels the five-year average. Barley yields 63,310,550 bushels from 2,551,919 acres, as compared with 56,389,400 bushels from 2,645,509 acres in 1919, the average yield per acre being 24¾ bushels for 1920, 21¼ bushels in 1919 and 24½ bushels the five-year average. Flaxseed gives a total yield of 7,997,700 bushels from 1,428,164 acres, as compared with 5,472,800 bushels from 1,093,115 acres in 1919 and with 6,367,340 bushels from 840,375 acres the five-year average. The yield per acre in 1920 is 5.6 busrels, as against 5 bushels in 1919 and 7¾ bushels the five-year average.

For the remaining grain crops the total yields were in bushels as follows, the corresponding totals for 1919, and for the five-year average, being given within brackets: Rye, 11,306,400 (10,207,400 and 5,586,320); peas, 3,528,100 (3,406,300 and 3,285,678); beans, 1,265,300 (1,388,600 and 1,472,396); buckwheat, 8,994,700 (10,550,800 and 8,583,520); mixed grains, 32,420,700 (27,851,700 and 21,554,696); and corn for husking, 14,334,800 (16,940,500 and 11,911,680)). The average yields per acre of these crops are in bushels as follows: Rye, 17½ (13½ and 15½); peas, 19 (14¾ and 16¼); beans, 17½ (16½ and 15¼); buckwheat, 23¾ (23½ and 20¾); mixed grains, 40 (31 and 33¾); and corn for husking, 49¼ (64 and 50¾).

The total values of crops on farms in 1920 are estimated as follows, the corresponding values for 1919 and for the five-year average 1915-19 being given within brackets: Wheat, $427,357,300 ($364,857,000, $360,097,320); oats, $280,115,400 ($317,097,000, $261,497,260); barley, $52,821,400 ($77,462,700, $55,501,114); rye, $15,085,650 ($14,240,000, $7,670,740); peas, $8,534,300 ($9,739,300, $8,801,120); beans, $4,918,100 ($6,214,800, $7,885,380); buckwheat, $11,512,500 ($15,831,000, $11,316,100); mixed grains, $29,236,200 ($37,775,400, $23,333,370); flaxseed, $15,502,200 ($22,609,500, $16,679,560); corn for husking, $16,593,400 ($22,080,000, $15,656,000); potatoes, $129,803,300 ($118,894,200, $77,875,200); turnips, mangolds, etc., $48,212,700 ($54,958,700, $33,076,280); hay and clover, $348,166,200 ($338,713,200, $208,489,340); grain hay, $4,518,000 ($4,379,000 in 1919); alfalfa, $13,887,700 ($10,800,200, $5,636,020); fodder corn, $43,701,000 ($34,179,500, $20,692,420); sugar beets, $5,278,700 ($2,606,000, $1,292,060).

The aggregate value of all field crops in 1920 was $1,455,244,050, as compared with $1,452,437,500 in 1919 and with $1,372,935,970 in 1918.

The total value for 1920 is the highest on record, but the difference between 1920 and 1919, which also was the highest figure to that date, is chiefly due to the better harvest, as the average prices for each crop are lower, except in the case of hay and clover and alfalfa, the average prices and total value of which in 1920 are the highest on record.

PAPER MILL ON COAST

Prince Rupert Pulp and Paper Company Gets Charter

VICTORIA.—According to an announcement here to-day by the Provincial Registrar of Companies, British Columbia is to have another big pulp and paper enterprise. This is the Prince Rupert Pulp & Paper Company, Limited, which has just been incorporated with a capitalization of $4,000,000, to manufacture paper on a large scale in Northern British Columbia. The head office of the company is in Vancouver.

READJUSTMENT IS PROGRESSING IN MARITIMES

No Shortage of Money When the Prices Are Made Attractive

LUMBER TRADE HIT

But Some Improvement Now Looked for—Unemployment Not Serious According to Reports

By Resident Representative.

ST. JOHN.—That there are substantial reasons for looking on the brighter side of the prospect for the year 1921 and succeeding years, is the view taken by W. F. Burditt, the new president of the St. John Board of Trade, in an open letter to members of the board and the citizens generally. Mr. Burditt adds:

"Until the people of the world are all clothed and fed there can be no such thing as overproduction. While the elevators of this western world are bursting with grain, while our warehouses are glutted with raw sugar, while in the south a bountiful crop of cotton awaits a satisfactory demand, and in Australia there is a plethora of unmarketable wool, the teeming millions of Europe are in large part unclothed and unfed. These conditions cannot continue. The nations of the world are more than ever before interdependent and the adjustment of credit and exchange which will make possible a freer interchange of commodities cannot be long delayed.

"In this business of feeding and otherwise supplying the old world needs this great undeveloped country—this Canada of ours—must take a large part. As a result may we not expect to see in the next ten years a more rapid development of our natural resources, of our productive industries, and of our trade and commerce than this or any other country of like population has ever tabefore experienced? And are not we of the Maritime Provinces at the gateway to this vast country, the natural entrepot of its commerce?

"Already there is a noticeable revival of trans-Atlantic freight traffic, and it is in this overseas commerce that the interests and prosperity of St. John are largely bound up. While with cheaper power we may look for the expansion of our manufacturing industries, it is primarily as an ocean port that we may confidently expect our surest and most rapid development. But trade flows through the channels of least resistance—it seeks the ports that have the best facilities—that can most economically handle the traffic. Ports, in this modern world, are made rather than created. Liverpool and Manchester are examples. This, therefore, is the subject which of all others should engage our most earnest thought—our most vigorous and determined action. Instead of waiting the urgent demand of commerce for increased accommodation, the facilities should be provided in advance of the need. Thus only can we ensure that development which our geographical position makes possible."

Business Reviving

While there is certainly a business depression here and throughout the province, it cannot be described as serious, and some business men express the opinion that the worst is already over. In some lines an improvement is reported, as compared with a few months ago. Business failures have been few and unimportant.

Few business men have been hard hit. Wholesale and retail traders generally were carrying small stocks—mostly for the reason that they could not get supplies—and the liquidation of prices has not worried them very much. Probably the worst sufferer has been the lumber industry; it is estimated that lumber stocks in the province run to 300,000,000 superficial feet. But the lumber operators have made money in recent years; they can afford to carry stocks for a while, and there is a general belief that the lumber trade will shortly show an improvement.

Meantime, though, lumbering operations have been curtailed, and some unemployment is reported. It is not serious, even in St. John. Mayor Schofield says appeals for help have come from outsiders who have drifted here looking for work, but so far there have been no reports of distress among the local population.

Merchants are reluctantly cutting prices, and when they do so they appear to find that there is still a good deal of money ready to take advantage of apparent bargains.

CORPORATIONS RAISED MILLIONS IN 1920

All Previous Records Were Broken in the United States

NEW YORK—During 1920 new financing of corporations in the United States broke all records by a wide margin, the aggregate of bonds and stocks issued for new capital being $3,324,922,000 against $2,944,958,000 in 1919. Of total amount issued $226,486,000 or 6.7% was for the purpose of refunding maturities.

The amount of capital obtained for refunding issues was unusually small compared with 1919 when 15.4% in 1918 and 25.2% was used for this purpose. This is accounted for partly by the fact that because of the high cost of capital in 1920 and a continual tight money market, many corporations having maturities due extended them from one to five years in anticipation of easier money.

While most of new capital in 1920 was for the purpose of expansion of industrial corporations, much of it was used to carry inventories which during that year were at high peaks. Already the slowing down of industry and the decline of commodity prices has greatly lessened the demand for new capital. The current year will doubtless show a large drop in new loans, particularly for industrial corporations. This should have a favorable effect on the money market and eventually reduce interest rates on long term loans.

The largest amount of new financing in one month in 1920 was in April when $591,281,300 was issued. The smallest monthly financing was in September when total was $101,20[illegible]000.

While stock sales on the N.Y. Stock Exchange in 1920 were considerably below the total transactions during the previous year, the price of Stock Exchange seats, usually governed by the volume of business, reached a new high record. They sold as high as $115,000, $5,000 above the previous record price made in 1919.

L. R. Steel Co. Limited and Inc.

Chain Stores' Progress

RAPID GROWTH has marked the operations of the L. R. Steel Company, Limited, in Canada, and the L. R. Steel Company, Inc., in the United States, during the past year. The Canadian company, with executive offices in the Royal Bank Building, Toronto, pays its acknowledgments to the Canadian public for continuous and increasing support. It is with appreciation and pride that we render this public statement regarding present operations in Canada and the United States, containing the outline of what we propose to do in the year that we have just begun.
We thank you for past patronage and, by reason of greater growth, will be able to give you greater Service throughout 1921.

Leonard R. Steel
PRESIDENT

CANADA

L. R. STEEL COMPANY, LIMITED.

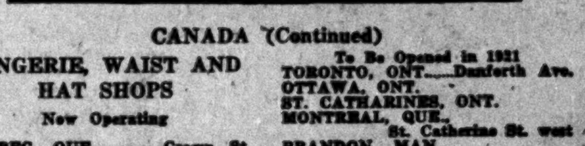
WAREHOUSE
TORONTO, ONT., 33-35 Mutual St.
(General Distributing Point for all stores throughout Canada)

5c. TO $1.00 STORES
Now Operating
OWEN SOUND, ONT.
GODERICH, ONT.
SHERBROOKE, QUE.
QUEBEC, QUE.....Crown St.
QUEBEC, QUE.....John St.
OSHAWA, ONT.
SAULT STE. MARIE, ONT.
MONTREAL, QUE. St. Catherine St. east.
To Be Opened in 1921
OTTAWA, ONT.
TORONTO, ONT Danforth Ave.
BRANTFORD, ONT.
MONTREAL, QUE., St. Catherine St. west
ST. CATHARINES, ONT.
THREE RIVERS, QUE.
SHAWINIGAN FALLS, QUE.

5c. TO $10.00 STORES
To Be Opened in 1921.
BRANDON, MAN.
CALGARY, ALTA.
EDMONTON, ALTA.
REGINA, SASK.
SASKATOON, SASK.
VANCOUVER, B.C. Granville St. Hastings St.
HAMILTON, ONT.

CAFETERIAS
Now Operating
SHERBROOKE, QUE.
To Be Opened in 1921
OTTAWA, ONT.
MONTREAL, QUE., St. Catherine St. west
BRANDON, MAN.
CALGARY, ALTA.
EDMONTON, ALTA.
REGINA, SASK.
SASKATOON, SASK.
VANCOUVER, B.C., Granville St. Hastings St.
ST. CATHARINES, ONT.

CANDY SHOPS
To Be Opened in 1921
TORONTO, ONT.
ST. CATHARINES, ONT.
MONTREAL, QUE., St. Catherine St.
CALGARY, ALTA.
EDMONTON, ALTA.
REGINA, SASK.
SASKATOON, SASK.
VANCOUVER, B.C., Hastings St. Granville St.



CANADA (Continued)

LINGERIE, WAIST AND HAT SHOPS
Now Operating
QUEBEC, QUE.....Crown St.
QUEBEC, QUE.....John St.
OSHAWA, ONT.
SHERBROOKE, QUE.
SAULT STE. MARIE, ONT.
MONTREAL, QUE., St. Catherine St. east
To Be Opened in 1921
TORONTO, ONT.....Danforth Ave.
OTTAWA, ONT.
ST. CATHARINES, ONT.
MONTREAL, QUE., St. Catherine St. west
BRANDON, MAN.
CALGARY, ALTA.
EDMONTON, ALTA.
REGINA, SASK.
SASKATOON, SASK.
VANCOUVER, B.C., Granville St. Hastings St.

UNITED STATES

Following incorporation of L. R. Steel Company, Inc., late in 1919, executive offices were opened and business begun in Lincoln Building Buffalo, N.Y., early in 1920.

On March 1, 1920, the three Riegeluth stores at Poughkeepsie, N.Y.; Port Jervis, N.Y., and Danbury, Conn., were purchased.

On May 14, 1920, the Holzworth stores, located at Milwaukee, Wis.; Detroit, Mich.; Oshkosh, Wis.; Danville, Ill.; Aurora, Ill.; Rock Island, Ill.; Moline, Ill.; Maysville, Ky.; Kendallville, Ind., and East Palestine, Ohio, were purchased.

On June 1, 1920, the three Willner stores at Ottumwa, Ia.; Quincy, Ill., and Kansas City, Kan., were purchased.

On November 15, 1920, the F. E. Nelson stores, located at Concord, N.H.; Lowell, Mass.; Haverhill, Mass.; Manchester, N.H.; Cambridge, Mass.; Lawrence, Mass., and Nashua, N.H., were purchased.

Including stores mentioned above and adding to them the several single purchases made during 1920, the L. R. Steel Company Inc., presents what has been accomplished within the short time it has been operating and submits an outline of its activities for this year:—

L. R. STEEL COMPANY, INC.

WAREHOUSE
BUFFALO, N.Y.—Washington St.
(General Distributing Point for United States Stores)

5c. TO $1.00 STORES
Now Operating
POUGHKEEPSIE, N.Y.
ASBURY PARK, N.J.
WILMINGTON, DEL.
OTTUMWA, IOWA.
QUINCY, ILL.
OSHKOSH, WIS.
KANSAS CITY, KAN.
MILWAUKEE, WIS.
DANVILLE, ILL.
AURORA, ILL.
ROCK ISLAND, ILL.
MAYSVILLE, KY.
KENDALLVILLE, IND.
DETROIT, MICH.
MOLINE, ILL.
EAST PALESTINE, O.
PORT JERVIS, N.Y.
DANBURY, CONN.
To Be Opened in 1921
BUFFALO, N.Y.....1004 Broadway
NIAGARA FALLS, N.Y.
APPLETON, WIS.
CHARLESTON, S.C.
CHICAGO, ILL.....Michigan Ave.
PITTSBURGH, PA.
ST. PAUL, MINN.

CAFETERIAS
Now Operating
BUFFALO, N.Y.....Washington St.
KANSAS CITY, KAN.
PITTSBURGH, PA.
To Be Opened in 1921
NIAGARA FALLS, N.Y.
APPLETON, WIS.
DENVER, COLO.
McKEESPORT, PA.
CHICAGO, ILL., Sixty-third St. Sixty-third and Halsted Lincoln and Ashland
SYRACUSE, N.Y.

UNITED STATES CAFETERIAS
Now Operating (Continued)
AURORA, ILL.
YOUNGSTOWN, O.

MARY LINCOLN CANDY SHOPS
CANDY FACTORY
BUFFALO, N.Y.....165 Eaton St.
Now Operating
BUFFALO, N.Y., ... 605 Main St. 10 North Division St. 1295 Main St. 807 Main St. 297 Washington St.
PITTSBURGH, PA.....5th Ave.
ERIE, PA.
To Be Opened in 1921
MILWAUKEE, WIS.
DENVER, COLO.
McKEESPORT, PA.
CHICAGO, ILL., Sixty-third St. Sixty-third and Halsted Lincoln and Ashland Michigan Ave.
SYRACUSE, N.Y.
NIAGARA FALLS, N.Y.
AURORA, ILL.

5c. TO $10.00 STORES
Now Operating
YOUNGSTOWN, O.
(Operating as Federal Stores Co.)
THE F. E. NELSON STORES
(Operating as F. E. Nelson Co.)
(Owned and controlled by L. R. Steel Co., Inc.)
CONCORD, N.H.
LOWELL, MASS.
HAVERHILL, MASS.
MANCHESTER, N.H.
CAMBRIDGE, MASS.
NASHUA, N.H.
LAWRENCE, MASS.
To Be Opened in 1921
DENVER, COLO.
McKEESPORT, PA.
CHICAGO, ILL., Sixty-third St. Sixty-third and Halsted Lincoln and Ashland
SYRACUSE, N.Y.
ROME, GA.
HACKENSACK, N.J.

LINGERIE, WAIST AND HAT SHOPS
Now Operating
BUFFALO, N.Y.....368 Main St.
KANSAS CITY, KAN.
QUINCY, ILL.
OTTUMWA, IOWA.
To Be Opened in 1921
APPLETON, WIS.
MILWAUKEE, WIS.
DENVER, COLO.
McKEESPORT, PA.
CHICAGO, ILL., Sixty-third St. Sixty-third St. and Halsted Lincoln and Ashland Michigan Ave.
SYRACUSE, N.Y.
AURORA, ILL.

L. R. Steel Service Corporation Offices in Canada and the U.S.

L. R. Steel Service Corporation, Limited, of Canada

With Offices in the Following Cities:

EXECUTIVE OFFICES
304 Royal Bank Bldg., Toronto, Ont.

BRANCH OFFICES
Toronto, Ont.....204 Royal Bank Bldg.
Hamilton, Ont.....Heintzman Bldg.
Montreal, Que.....171 St. James St.
St. Catharines, Ont.....Bank of Commerce Bldg.
Kitchener, Ont.....34 King St. East
Windsor, Ont.....14 Pitt St.
Winnipeg, Man., Avenue Block, Portage Ave.
Brantford, Ont.....12 Queen St.
Quebec, Que.....Besse Block
Sherbrooke, Que.....Oliver Bldg.
Haileybury, Ont.....Royal Bank Bldg.
Ottawa, Ont.....Jackson Bldg.
Sudbury, Ont.....Nickel Range Bldg.
Port Arthur, Ont.....Whalen Block
Sault Ste. Marie, Ont.....494 Queen St. East
Peterboro, Ont.....Barrie, Bldg.
London, Ont.....307 Royal Bank Bldg.
Three Rivers, Que., Bank of Commerce Bldg.
Oshawa.....Standard Bank Bldg.
Brandon, Man.....Royal Bank Bldg.
Fredericton, N.B.....83 York St.
Moncton, N.B.....Imperial Block
Amherst, N.S.....Bank of Commerce Bldg.
Halifax, N.S.....Dennis Bldg.
New Glasgow, N.S.....Maritime Bldg.
Sydney, N.S.....Morley Block
Charlottetown, P.E.I.....Riley Bldg.
St. John, N.B.....167 Prince William St.
Chatham, Ont.....Miles Block
Stratford, Ont.....Gordon Block
Kingston, Ont.....Royal Bank Bldg.
Calgary, Alta.....606 Herald Bldg.
Edmonton, Alta.....Empire Block
Vancouver, B.C.....1004 Credit Foncier Bldg.
Victoria, B.C., Royal Bank Bldg., Government St.

Steel Realty Development Corporation and L. R. Steel Service Corporation of N. Y.

With Offices in the Following Cities:

EXECUTIVE OFFICES
Fifth Floor Lincoln Bldg., Buffalo, N.Y.

BRANCH OFFICES
New York, N.Y., Uptown—204 World Tower Bldg., 110 West 40th St. Downtown—1707-09 Barclay Bldg., 299 Broadway.
Brooklyn, N.Y., Terminal Bldg., 50 Court St.
Philadelphia, Pa.....702 Vandam Bldg.
Rochester, N.Y.....300 Sibley Block
Syracuse, N.Y.....506 Snow Bldg.
Albany, N.Y.....42 Douw Bldg., 424 Broadway
Buffalo, N.Y.....297 Washington St.
Erie, Pa., 603 Ariel Bldg., 8th and State Sts.
Pittsburgh, Pa., 1207-8 Keenan Bldg., Liberty St.
Providence, R.I., 206-7 Edwin Smith Bldg., 57 Eddy St.
Wilmington, Del.....901 Orange St.
Scranton, Pa., 814-816 Union National Bank Bldg.
Baltimore, Md.....522-24 Munsey Bldg.
Utica, N.Y., 94-95-96 Utica City Nat. Bank Bldg.
Newark, N.J.....203-204 Superb Bldg. Market and Halsey Sts.
Louisville, Ky.....217 Stark Bldg.
Indianapolis, Ind., 313 Traction Terminal Bldg.
Colorado Springs, Colo.....504 Bennett Bldg.
Pueblo, Colo.....Suite 204 Central Block
Jacksonville, Fla.....208-209-210 Hill Bldg.
Paterson, N.J.....202 Main St.
Denver, Colo.....Guardian Trust Bldg.
Harrisburg, Pa.....34-35-36 Robert's Bldg.
Reading, Pa., 267 Griscombe Bldg., 439 Penn St.
Seattle, Wash.....904 L. C. Smith Bldg.

SUB-OFFICES
Hanover, Pa.....Hagerstown, Md.

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Boston, Mass.....209 Tremont Bldg.
Lowell, Mass.....411 Hildreth Bldg.
Lynn, Mass.....Lynford Bldg.
Cambridge, Mass.....634 Massachusetts Ave.
Lawrence, Mass.....610 Blakely Bldg.
Trenton, N.J.....401 Wilkinson Bldg.
New Haven, Ct.....152 Temple St.
New Haven, Ct.....302 Law Chambers
Hartford, Ct.....252 Asylum St.
Springfield, Mass.....115 State St.
Worcester, Mass.....212 Slater Bldg.
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Fall River, Mass.....38 Academy Bldg.
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THERE IS NOTHING UNFAVORABLE ON HORIZON—GARY

Thinks the Tendency Is Now Towards Improved Conditions

DEFLATION NEEDED

Increasing Signs of Disposition of Producers and Wholesalers to Meet Conditions

By ELBERT H. GARY,
Chairman, U.S. Steel Corporation.

I think I am justified in saying, so far as my opinion extends, there is nothing unfavorable on the business horizon. Certainly at present the tendency is toward improved business conditions.

That does not necessarily mean that there is a decided increase in volume, but it does mean that the general aspect, including the temper of business men, is better. If that continues, it is certain to have a decided improvement within a comparatively short time.

As before stated, the principal reason for apparent dullness in some lines is that the purchasing public is waiting for such information as will influence it to conclude bottom prices have been reached. It should be evident to everyone that in certain lines or departments further decreases in selling prices are necessary and therefore likely to be reached. I have heard of cases where lower prices have been fixed by retailers than the prices they paid to the wholesalers for the same goods. It shows a disposition to make adjustments which have been determined upon for the purpose of complete readjustments, promptly disposing of stocks and of getting into a financial position which will enable the retailers to proceed in the regular way. And this is only an illustration of what must be done in all lines before we can expect good business.

However, we all know by experience that after any movement of importance commences, as it progresses it gathers speed and will within a short time reach a momentum that means early completion of the movement.

The Readjustment

I see increasing signs of a disposition on the part of producers and wholesalers to recognize conditions and to submit to such reductions in selling prices as are necessary before a return to a normal volume of business.

Also, it must be evident to everyone that a large percentage of workmen are disposed and are proposing reductions in wages immediately following the action of their employers to make reductions in their prices. This is a good sign and will have a decided effect. I hope and believe this disposition on the part of employees will be reciprocated by the employers.

I notice by the published reports the cash in circulation per capita at the present time is nearly $60. This means over $6,000,000,000 of money in circulation, and it is a good guess a large part of that will not be deposited in vaults or hidden. The natural tendency of any person with ready money is to spend that money for goods or property when the possessor has reached the conclusion that all prices are reasonable, and it is a tendency of men of means to make extensions for improvements by erection of buildings or otherwise whenever the proper time arrives.

But another important thing to be remembered is that a reasonable supply of the necessities of life of themselves involves a large expenditure of money, and in this country, unlike most other countries, there is enough money to make purchases for that purpose. Even though people generally are economical, as they ought to be and I hope will be, still they should and will make enough purchases to supply their necessities as to bring a substantial prosperity.

In the steel business to-day those who are buying are buying from the standpoint of necessity and this up to date has secured, for our corporation at least, a satisfactory volume of business considering the times and will, I hope, enable us to continue the payment of interest and the usual dividends. Under these circumstances how could we feel any other than optimistic?

This is the season of the year for dull business if there is any. It is a time for taking inventories, repairing furnaces and mills, stripping mines for next season's output, putting steamboats, engines and cars in good repair and in every way making full preparation for the business which we hope and expect will be offered during the year. And yet, notwithstanding these conditions and circumstances, as I have said, we are doing a substantial business.

As I have remarked perhaps more than once, the immediate future and the year's business will depend largely upon the temper, the conversation and the action of the general public, which includes the business men and also the representatives of the public press. I do not believe in misrepresentation of facts, but I will always rather emphasize the many good features in sight than dwell upon the unsatisfactory features if there are any. Facts and figures are still in favor of progress and prosperity.

THE PRICE SLUMP AS FARMERS SEE IT

The Big Readjustment and Next Year's Production On The Farm

By ARTHUR RICHMOND MARSH,
In the "Econimic World."

Undoubtedly the farmers of the country have a grievance. Prices of raw materials which they supply have not risen in proportion to the prices of the goods manufactured therefrom. Now that prices are declining it is these raw materials that are declining most. Thus, the increase in the price of cotton was never commensurate with the increase in the prices of cotton fabrics, nor the increase in the price of wheat with that in the price of flour nor that in the price of meat animals with that in the prices of meat products. Moreover, the gain in the remuneration secured by the farmers for their work never equalled that obtained by virtually all classes of wage earners in industrial occupations. Yet practically alone among the producers of the country the farmers increased their production, both absolutely and per capita, during our time of national stress; while the industrial workers everywhere were shortening their hours of labor and relaxing the strenuousness of their toil, the farmers in response to the national need were working earlier and later than ever before, thus more than making good the relative diminution of their numbers, and were successfully endeavoring to provide the nation with an always adequate supply of foodstuffs and agricultural raw materials, to say nothing of a surplus for the use of the suffering countries of Europe.

The farmers cannot see the justice of the fact that when prices were rising they gained last and least, and now, when prices are falling, they lose first and most. They see, of course, that industry and trade are not escaping unscathed from the price-debacle, but prices of the products of industry and the goods distributed by trade not declined in proportion to the prices of their crops. And, furthermore, they can see no reduction yet in wages of industrial labor, though there is some increase in industrial unemployment and here and there insignificant cuts in factory wages are reported. The cotton farmers, however, who have seen the price of raw cotton fall more than 60 per cent. in the past three months, find it hard to believe that industrial labor is carrying its share of the burden of loss when the Fall River cotton manufacturers announce, as they recently did, that wages in their mills will not be reduced for the coming six months. Nor can the farmers hear of any general reductions of industrial wage anywhere—on the railroads, in manufacturing establishments, in the building trades and the like. Wherever they turn, they seem to find it tacitly assumed that the wage scales attained by Labor (with a capital initial) durduring and since the war are to remain substantially unaffected by the great economic readjustment that is in progress; yet for themselves it is the sternest of realities that, if the prices of farm products are to remain at anything like the level already reached, the compensation they will receive for their work will be less than half what they have been receiving for the last two or three years.

What is the farmer's answer to this condition. Smaller production, a decreased supply, so as to stimulate an increased demand. There are already numerous actively eager campaigns to bring about sharply decreased acreages for the major crops of 1921. Hence it is imperative that we should adopt and apply resolutely policies to remedy the farmer's grievance—the inequality between their position in the price decline and that of the great mass of the city population. This inequality will disappear only when urban prices—the prices of industrial products and the compensation for industrial and business services of all kinds—have been reduced as much as the prices of agricultural products have fallen or fall. The profits of the urban business class have already declined almost or quite to the vanishing point and here the required remedy has been applied. But in the great domain of industrial wages virtually nothing has been done.

NEWSPRINT ONE PRODUCT THAT STAYS AT TOP

But Most Commodities Have Hit the Price Toboggan

SOME OF THE CHANGES

Seventy-two Articles Out of a List of Seventy-six Show a Material Reduction in Recent Months

NEW YORK.—The price toboggan is working in every part of the world and in a large share of the articles forming international trade. Of the 75 principal articles of our import trade, for which the average import price is stated by the official records of the government all but four, says a statement by the National City Bank of New York, are lower in the November, 1920, import record than in earlier months of the year 1920. The articles in the official list which "refuse to come down" are newsprint paper, wood pulp, pulp wood, and bananas.

These official figures of the average monthly import price principal articles entering the country are, says the bank's statement, an especially valuable index of world prices. The laws of the United States, which are unique in this respect, require persons in foreign countries who are exporting merchandise to the United States to state in writing and under oath before a consul of the United States the quantity and value of the articles being sent to the United States, or in case of the absence of such statement the consul is required to report the shipment and state the value per unit of quantity in the wholesale markets of the country or city from which the merchandise is sent. These statements, which become the basis of the official valuation of the merchandise imported, are distinctly the prices in the country of production or exportation to the United States, and thus present an exceptionally accurate picture of world prices from month to month.

World-Wide Conditions.

These valuations, adds the bank's statement, show the broad world average price per unit of quantity in the various articles in question, rather than that for any single country. The rubber imported, for example, represents the products of the forests of Brazil, the plantations of the Orient, and the jungles of the Congo Valley, for we draw rubber from all of those sections, and when the average import price of the entire quantity is determined, it pictures the world trend of prices at the place of production more thoroughly than by perhaps any other process. This illustration applies, in general terms at least, to all classes of imported merchandise even though drawn from widely separated sections of the globe.

The unanimity with which prices the world over have already "come down" is evidenced by the fact that 72 out of the 76 articles included in the import price list show a lower valuation per unit of quantity in November, 1920, than in earlier months of the year. Raw cotton, for example, is valued in the November, 1920, imports at 28.7c. per pound against 69c. per pound in August of the same year; raw silk $6.34 per pound against $12.28 in March; clothing wool 27.4c. per pound against an average of 60.4c in May; Manilla hemp $245 per ton against $377 per ton in July; flax $872 per ton against $2,648 in August; cattle hides 20.6c. per pound against 33.6c. in February; goat skins 62.8c per lb. against $1.20 in May; pig iron $30.60 per ton against $95.28 in September; coffee 15.3c. per pound against 22.1c. in January; cocoa 10.2c. per pound against 17.9c. in March; fresh beef 13.6c. per pound against 17.9c. in May; and rice 5c per pound against 11c. per pound in February.

BUILDING TOTALS DISAPPOINT

Bradstreet's estimates 1920 building expenditure in the United States at $1,375,000,000, only 9 per cent. above the 1919 total, "a shining example of what high costs of all kinds did to what promised to be a wonderful year in building." Returns from 101 cities for December shows a total construction permitted for of $24,340,180, by far the smallest total of the year and a decrease of 65.8 per cent. from December, 1919. The F. W. Dodge Co. reports that construction in the 25 northeastern states during 1920 totaled about the same as in 1919, but due to increased costs the volume represented is a quarter less. A good year is expected in 1921.

RETAILERS MUST REDUCE FURTHER

A Real Cut Will Have To Be Made Before Business Will Be Healthy Again

Wall Street Journal.

Business knows that a retail liquidation must take place there before buying reaches back to the mills and factories now standing idle. The size of the stocks on hand is sufficient proof. Heretofore, retailers have resented the charges that they were not making a sincere effort to revive industry by meeting manufacturers' and jobbers' price reductions. But figures just released by the Department of Labor are salutary.

Retail prices every day of the month have been gathered from six cities in as many different sections of the country. These show an average increase in the weighted articles going into an ordinary family's expenses of 115 per cent. between December, 1914, and June, 1920. By December of last year the figure had fallen to 99 per cent. increase. This means that all these prices taken together have fallen about 14 per cent. In fairness to the retailer it must be said that the average contains rent, which has increased somewhat in the latter period.

If the retailers' contention be correct this decrease in the average should approximate that of the wholesalers'. The bureau's average is not to hand yet, so a fair comparison cannot be made. But taking the Bradstreet's index, which is made up from the wholesale prices of commodities on the first day of each month, it would seem that the average reduction is about 30 per cent. By the first of December the retailer had a long way to go in order to catch up with the wholesaler who was adjusting prices to changed conditions.

Industry is looking to the retailers. A free buying movement by the public is desirable in order to reach back to the primary sources. The responsibility is upon the retailers of convincing the public that they are really liquidating the super-post-war-prices. Offering a $3 article at $4.75 "marked down from $5" will not do it. Neither will merely labeling prices as "greatly reduced" accomplish this. Unfortunately, instances can be given where important stores have attempted to exploit the "reduction sale" and profiteer in this way.

Such conduct only delays the return of business revival and reacts upon the wrong-doers.

The British American Oil Co., Limited

which has successfully carried on business for many years in Eastern Canada, is now extending its operations throughout the Prairie Provinces, and has lately purchased the Winnipeg Oil Co., Limited. It has acquired large areas of oil leases, including 320 acres on the Mackenzie River, and is thus in a position to share in any benefits of the exploration for Crude Petroleum.

We are prepared to execute orders in the shares of this Company, which are now on the open market.

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The above is an extract from "Some Remarks on Wills," a copy of which will be sent upon request

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Everybody smokes

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Canada's Favorite Pipe Tobacco.

Canada Life Makes Big Strides in 1920

RECORD UNSURPASSED IN SEVENTY-FOUR YEARS

CANADA LIFE BUSINESS IN 1920

President Reviews Financial Statement

THE unusual demand for life assurance which developed in the previous year continued without abatement almost throughout 1920 and our own institution was enabled to issue $63,500,000, thereby making a new high record for any one year and bringing our total assurance in force up to $277,000,000. These results are brought about by a growing and stronger and better equipped field organization, concentrating more forcefully upon a better informed public, who are more and more coming to buy life assurance upon a reasoned business basis. One insures his house and furniture against fire, his motor against theft or liability, himself against accident or sickness, not because he cannot bear such loss personally should it occur, but because he realizes there is no necessity of his doing so and he is at last beginning to see that the same reason exists but in stronger measure why his estate or family should not bear alone a loss occasioned by his death.

This more intelligent appreciation of the uses of life assurance will have a salutary influence in preventing the lapse and surrender of policies at the first approach of a money scarcity such as is now widely felt. In the past there has been a too prevalent tendency when in temporary financial need to cancel life assurance as more or less of a luxury which can be dispensed with, or to borrow upon it to tide over some unimportant difficulty. At the risk of being thought as harping upon an abused and threadbare subject often considered by the assured to be his personal concern only, one must here repeat the warning so frequently given against a too ready and thoughtless disturbance of a protection valuable alike to those of ordinary or extraordinary means. The first step toward the ultimate cancellation of a policy is the borrowing upon its security, because the repayment of such borrowing is unfortunately the exception rather than the rule, and in time the assured wearies of paying premium plus interest upon a decreased assurance. Many companies carry on continuous propaganda aimed at the policy loan, its prevention or repayment as a part of their conservative effort, but there is room for vastly greater activity in this direction.

Business in Great Britain.

The general improvement in our branch organizations continues and each has had its full share in the expansion of the year. Opportunity was taken to visit with the General Superintendent many of our offices and a most encouraging optimism and activity was found to exist everywhere. I spent some months in Great Britain, accompanied by the Treasurer, and made an exhaustive study of the conditions affecting our business on that side of the Atlantic. As some of you know, we have a very attractive and convenient building of our own, all of which we occupy, in London, with offices in England and Wales, Scotland and Ireland, which have this year paid for $8,500,000, or over twice as much as in 1919. Various forces have contributed to this phenomenal success, the most outstanding being an effective agency plant and the great appeal this company is able to make to the British public through its liberal policy contract and its bonuses to the assured. Ours is one of the very few life corporations that have been able to carry on during the war period and after without reducing or passing altogether the usual bonuses to their members. This is a great source of strength to us, and as our advantage is likely to continue through a high earning capacity and a low death loss we anticipate with much confidence a very large accession of new business in Great Britain. We shall look to that country, next to Canada, for an important share of our total expansion and will gradually and advisedly enlarge our facilities to that end. Advantage was taken of a favorable opportunity to enter Hawaii under most promising conditions, and we have received from that agency since September first over $750,000.

Improved Service.

In the effort to give our representatives a more thorough equipment and foundation for their contract with prospective holders of policies we evolved a few years ago a course of instruction by correspondence and have more recently added a series of classes which are carried on in the home office. The opportunity thus offered has been seized with avidity and those who have undertaken the courses have shown an immediate and marked increase in selling ability, and have left upon their clients impressions which are full of interest and suggestion to the management. Our ultimate aim is that this company shall be represented in the field only by those who are giving it their entire service and who have armed themselves with the knowledge to be obtained through this course of study. We believe that to-day life insurance should be sold only by experts.

THE PRESIDENT'S ADDRESS

Mr. HERBERT C. COX REVIEWS BUSINESS OF 1920
CANADIAN CONDITIONS FAVORABLE for FUTURE

IN THE early part of the year general business conditions continued much as they had been in the previous twelve months. Bank deposits were growing; commercial credits were increasing, although under keen scrutiny; manufacturers were placing enlarged orders for raw materials; wholesalers and retailers were straining to implement their stocks; labor, through the strike or less forcible means, was demanding and receiving higher wages; the cost of all commodities—necessities as well as luxuries—was still holding at high level. In short, Governments and the public were still greatly spending while all the time protesting against the prices they were called upon to pay. In the early summer the realization seemed suddenly to come that the way to secure reduced prices was to cease buying. The thought quickly crystallized into action, and one commodity after another has felt the full force of public disapproval. As a result we were immediately plunged into that readjustment which we had contemplated but had looked for somewhat later. The reaction was felt first perhaps in the motor trade, followed by leathers and textiles, and later others. As public buying ceased, cancellations—against which there appears to be no adequate protection—poured in upon the manufacturer, who, in turn, where possible, passed them on to the producer of raw materials or ingredients. The stock markets, already affected, reflected the aggravated conditions, and the course of securities in general was markedly downward. The usual preparation for the moving of immense grain crops entails a reduction in ordinary credits, but in the early fall other factors entered into the situation, bringing a more severe curtailment of facilities and a widespread decrease in activity. The inevitable laying off of labor commenced. For a time those so released entered other industries which had not yet felt the pinch, but latterly such reemployment has been more difficult and many skilled workmen find themselves partially or wholly out of work.

Business is Recovering.

This process of recovery from what was an artificial set of conditions induced by the extraordinary circumstances attending the war, though distasteful, is necessary if we are to return to a sound and sane basis of commerce and finance. It is unavoidable that in the operation there will be hurt alike those who have benefited and those to whom only disadvantage has come through the disappearing conditions, but the silver lining of the cloud must at last become apparent, and good will accrue through the resumption of a normal viewpoint and a normal standard of living and working. Already there is evident a greater appreciation of values and a greater inclination to give and to demand a fair exchange, whether of commodity or labor. The view is gaining that the man in the shop is entitled to a reasonable share of the profit which he assists in producing if he is giving that assistance to the full extent of his knowledge and efficiency, and while it would seem that, in sympathy with a general decline in public purchasing power and in profit to his employer, either his wages must also decrease or his output increase, it is altogether probable that the many profit-sharing plans which have been evolved for his advantage will continue.

The Exchange Rate.

The exchange situation and the causes leading up to it are so familiar to all that lengthy comment is undesirable, but it may be said in passing that the obvious remedy for Canada lies in the decrease of our purchases and the increase of our shipments abroad. It is unfortunate that the capacity of Great Britain has recently not been such as to enable her to take her rightful share of the business offering from this country, as both would have benefited had it been possible for her to do so.

Effect Upon Loan Business.

One effect of the adverse exchange and the high interest rates prevailing in Great Britain which will be increasingly felt in Canada is the difficulty, amounting almost to impossibility, of retaining British monies borrowed by our loan companies upon their debentures for investment in mortgage loans in this country. The margin between the rates demanded in England and those obtainable on proper security here is so narrow as to render the profit on such transactions extremely small and unattractive. As a consequence the loan and other companies depending upon borrowed funds for their investment resources must look in much greater measure to the increasing of their deposits and to the sale of their debentures at home, but in the latter direction they will still be seriously handicapped for some years by the competition of long-term Government and municipal securities, which can now be obtained at unusually high yield rates. Without disparagement of these institutions, which are bearing the burden of a condition for which they are in no way responsible, it is fair to assume that they will not be able to keep up as they have done with the demands of a rapidly expanding country for mortgage loans for farm development. The other great source of supply for this purpose—the life assurance companies—will therefore have to be prepared to undertake a larger share of this mortgage investment which is so essential to our national growth. It is perhaps not realized that these companies have already loaned most importantly in this way, but their steady influx of funds requiring safe and remunerative investment will enable them to proceed more actively with profit to the country and to themselves. Some of them already have ample organizations and facilities established for the prosecution of such business.

Health Conservation.

There have been held in Canada during the past year many important conventions and conferences, some of them looking to a greater development of trade within the Empire and kindred subjects, while others have had as their objective the betterment of the public health. The latter is of moment to the life assurance companies, as anything which tends to raise the standard of health and morals bears directly upon their success. The companies themselves exert an influence for good upon the national health through their medical examinations, which embrace a growing percentage of the population each year, and include in several instances free re-examination annually upon intimation of the assured's desire. Many impairments, greater or less, disclosed by these examinations are brought under proper medical care and removed. Several companies now maintain their own qualified nurses and place their services at the disposal of their members without charge. All efforts bearing upon improved health, whether made by permanent health officials or other agencies, are followed with keen interest by insurance executives. Fresh air, properly directed exercise, and mental recreation are excellent aids in this direction which have been made available to greater numbers through the medium of our military regiments and their prototypes in other countries. It is very desirable, apart altogether from the military viewpoint of preparedness, that every possible encouragement and support should be given by our Government to these regiments, even though such support may and does entail a considerable charge upon the country. Sums wisely spent upon national health are well spent.

Housing Problems.

Intimately associated with this question are the problems of proper housing facilities in town and country for ever-increasing populations. Their solution is being sought by Legislatures, City Councils and Housing Commissions. In the meantime the life assurance companies are rendering actual assistance in numerous individual cases by loans which enable the building of the home.

Immigration Policy.

Proper scrutiny and careful selection in the admission of immigrants are safeguards which are too often overlooked in the desire for increased population. It is better policy and cheaper to turn away from the border would-be citizens of unfavorable physique and morals, or, better still, to sift them out before they leave their country of origin, than to nurse them here and perhaps allow them to inoculate an entire district with some objectionable infection. Granted that the urgent need of young countries such as ours is population in larger volume and more quickly than natural increase can provide, and it is gratifying that the past twelve months have shown an important accretion in this direction, but care must be had, just as in a business undertaking, not to sacrifice quality to quantity or soundness to size.

The visits of the representatives of the British Press Association and the British Chambers of Commerce were history-making events in relation to our future. Both bodies made extended tours from coast to coast and every facility was placed at their disposal to enable them to learn at first hand not only of our natural resources and potential wealth, but of our manufacturing successes, of our banking and financial system, of our home life and recreations. In fact they returned to Great Britain with an intimate knowledge of Canada and her people, of her aims and possibilities which, as it is disseminated there by such keen and thoughtful observers, cannot fail to broaden the sympathy between the two countries and result in a wider interchange of opinions and commodities to the great advantage of both.

Soldiers' Insurance.

The resettlement of soldier citizens is generally progressing, and in Canada the headway made appears to be satisfactory. Many have resumed their former affiliations or occupations, while many others, approximating 20,000, have taken up farming without aid, through the means afforded by the Government or with the assistance of their friends. To provide life assurance for them at a minimum cost, and more particularly for those with impairments which make them ineligible for coverage by the companies under standard policies, a scheme has been evolved under which the Government insures without medical examination those applying to it. As the Government assumes all administration expense, and as the element of profit is eliminated, these policies are procurable at a rate somewhat less than required by the companies. Policies so issued become co-related to the soldier's pension, since at his death the amount of the insurance is to be reduced by the commuted value of the pension normally payable to his dependents. It is conceivable that in many instances this commuted value will exceed the insurance, and to meet this contingency provision is made for the return of all or a portion of the premium paid. The scheme became operative September 1 last, and 1,015 policies for $3,282,000 have been issued.

The Western Crops.

Weather conditions as they affected crops were generally favorable in Manitoba, although the area under cultivation was somewhat smaller than in 1919. Fall rains assured ample pasturage and stock went into winter quarters in excellent shape.

A very late spring delayed seeding in Saskatchewan until April, and while soil conditions were favorably influenced by the moisture of the previous autumn, high winds in May caused considerable drifting and damage on light land. The rainfall was very unevenly distributed and the intense heat of the summer, while overcoming the disadvantage of late seeding, also, unfortunately, tended to prevent grain from filling, which not only decreased the yield, but in many districts resulted in an inferior sample. On the other hand, while the winter of 1919-20 was extremely severe on stock, the reports this year indicate unlimited pasturage and hay, and while there is a reduction in the number of hogs, there is an appreciable increase in sheep.

Although seeding was late in Alberta the results have been on the whole agreeable. In the northern districts a better than average crop was harvested. The Province had under cultivation approximately 11,000,000 acres, and ideal harvest conditions prevailed. Hail losses were extremely small, but in the south some 40,000 acres suffered through high winds. Last winter much stock was lost through the severity of the weather and lack of feed, and there is now in the Province a less number than a year ago, but it is hoped that this condition will soon right itself. The dairy products of Alberta, for which she has become noted, will reach a value of $35,000,000 for the year.

Municipal Finances.

Last year reference was made to the financial difficulties of some of the Western municipalities. It is pleasing to note that the Provincial authorities of Alberta have, through their Municipal Finances Commission, a non-political body, come to the aid of several of their struggling municipalities, and it would appear that they are rendering valuable assistance to them in the adjustment of their affairs. It is hoped that Saskatchewan will soon follow this example, as some of the smaller municipalities in that Province are much in need of relief.

There are comparatively few Western municipalities in the aggregate which have been unable to meet their debenture payments promptly, but it is most desirable that their affairs should be quickly put in shape, otherwise their dilemma will reflect injuriously upon the credit not only of their neighbor municipalities, but upon that of the Provinces as a whole.

The Insurance Act.

It is understood to be the intention of the Government to introduce at the approaching session of Parliament a number of amendments to the Insurance Act which will make that already excellent instrument still more comprehensive. It has been suggested that one of the chief additions to its provisions should be the granting of power to the companies to transact more than one class of insurance so that each of them under certain conditions will be able to undertake the various branches of life, fire, accident, health, etc. This combination is quite common and successful in Great Britain and might eventually make for economy in the conduct of the business through concentration of management, supervision and other items.

Taxation of Premiums.

While referring to legislation I venture to return to a suggestion many times repeated in the past, that some portion of the individual income should be free from tax if devoted to the purchase of life insurance. In Great Britain this consideration takes the form of an abatement from the income tax of 15 per cent. of all premiums not exceeding one-sixth of the income. Such exemption is legitimate and logical and tends to encourage saving and provision for the future, which must necessarily be of benefit to the State. At this time when the Canadian people are laboring as cheerfully as may be under heavy taxation in various forms in the knowledge that they are helping to bear the burden thrust upon our country by war, a measure of relief of this nature would be most gratifying and a great stimulus in the direction of national thrift.

Some years ago attention was directed to the taxes imposed by the various Provinces upon premium incomes of the life insurance companies with the respective Provinces. Continuous effort has been made looking to the elimination of reduction of these charges on the ground that they are being levied upon the *savings* of the individual holders of policies in the companies, and Ontario has been the first, as usual, to take action in the matter. Somewhat over a year ago the then Government lent sympathetic consideration to our representations, pointing to early relief, and, happily, their successors, the present Government, have taken the same broad-minded view of the situation and have reduced the tax by ½% to 1¼%. This is now the lowest rate demanded by any of the Provinces, and it is felt this action will be of material assistance in securing similar consideration from the other Legislatures. This reduction is much appreciated by all whom it affects, but it is hoped that all the Provinces will yet go much farther in the direction of relief.

The Association of Provincial Insurance Superintendents held its third annual conference in Winnipeg in October last, and invited the companies to join in their discussions. There is evident amongst the Superintendents a desire to be fully seized of all facts and suggestions bearing upon the business coming within their jurisdiction, and also a wish for uniform insurance legislation in all the Provinces, so far as that may be feasible. The indications are most encouraging, and it is felt that much good may and will accrue to both the Provinces and the companies from such reasoned and combined action.

Institutional Advertising.

For more than ten years unceasing attempts have been carried on by a few whose belief in Institutional Advertising gave them the courage to persist to persuade all the life companies active in Canada to share in a combined campaign of publicity through the medium of the daily Press, having as its purpose the better informing of the public mind as to the principles and practise of life insurance, the place it occupies in our national economy and its relation to the individual and the home. Happily, agreement has at last been reached between the British and Canadian companies and one United States company, a feasible channel for conducting the experiment has been arranged and it will be immediately inaugurated in full confidence that the people of Canada will appreciate the desire to have them become wholly conversant with an undertaking which is of such urgent value and importance to them.

This is another link in the growing chain of co-operation between the companies comprising already associations of Presidents, of Managers, of Actuaries, of Medical Directors, to which has recently been added that of agency officials, which has in four years come to include over one hundred companies in Canada and the United States. This last-named organization has already been most useful in bringing the agency departments of the member companies together on a friendly and constructive basis.

An event of importance was the withdrawal a few months ago of the Equitable Life Assurance Society of New York from business in Canada. The Society has been for many years an active and honorable competitor and always a ready participant in any progressive movement. It is understood that its retirement from Canada, which is to be regretted, is made not through any disappointment arising from its experience here, but in pursuance of a well-defined policy of restricting its operations to the United States.

A Thorough Examination.

In addition to the regular annual inspection by the Canadian insurance department the company has recently been submitted to a most thorough and exhaustive examination at the hands of the Insurance Commissioners of Michigan, Illinois, Pennsylvania and Minnesota, whose representatives jointly and concurrently spent several weeks in the home office. Every possible facility was afforded them and a minute inspection was made of all books and records, of all assets, and of all office systems. The result was altogether satisfying to the commissioners and gratifying to your officers, and is summed up in the final paragraph of their report, as follows:

"We find that the Canada Life Assurance Company is in excellent financial condition, and that its affairs are being managed economically and efficiently.

"To deal with the many different branches of the work there are special departments conducted by responsible officers and men.

"All evidence goes to show that the investments of the company are carefully selected. The foregoing report shows that the investments have been distributed over a wide range of suitable securities.

"We have had the co-operation of the officers of the company and all information asked for and data required have been promptly furnished. In fact, every assistance has been rendered to make the examination thorough and complete."

Surplus Earnings.

As the last of our war claims was provided for in the previous year, and as we have in the past twelve months been free from epidemic, there has been no unusual factor affecting the death ratio adversely, so that we have returned to a normal, or more properly a subnormal, loss, as the actual deaths have been only 55 per cent. of those expected. The saving from this source again shows a very material increase and has an important part in the creation of net surplus earnings of $2,163,000 for the year. This sum again constitutes the largest earning in the history of the institution, and enables us to continue without hesitation the present rate of distribution to our policyholders, and to pursue the active program which is bringing us such a gratifying influx of new members. This inherent strength, the result of successive executives following a clearly defined course for nearly three-quarters of a century adds unique stability to our policy contracts, at the same time giving more than usual courage to those who sell them, and much confidence to those who buy.

The Interest Rate.

One of the chief contributors to surplus is, of course, the interest income, and you will be gratified to learn that we have again been able to increase the average rate upon your investments to 6.10 per cent. Throughout the year it has been possible to acquire securities of undoubted value at prices to yield uncommonly high rates. We availed ourselves of the opportunity to buy $2,000,000 of very excellent mortgages on a basis to yield approximately 8 per cent. The security was all thoroughly inspected by our own officers and found to be ample and attractive. There has been a renewed demand for mortgage loans, a very considerable number of which are required to cover accumulated borrowings from bankers. To the extent that this is the case, those lending upon mortgage are relieving the demand upon our banks. Interest payment reflects to some extent another crop failure in certain sections which have suffered similarly before, and the actual price of wheat, which is so much below that anticipated. Our borrowers, however, have on the whole met their obligations as promptly as could be fairly expected of them, and, as usual, we have not included in the asset described as "interest outstanding" any sums in arrear which appear doubtful of collection. While the overdue interest is somewhat larger than a year ago. It is reassuring to know that a large portion of it became due only in December: in fact, 47 per cent. of the total arrears pertain to the last six months.

To avoid the loss incident to the transfer of our funds from Great Britain under present exchange conditions, advantage has been taken of the favorable market there and short-term securities with an average yield of 6.45 per cent. to the amount of $1,870,000 have been purchased in London. Forty-one per cent. of these are obligations of the British Government.

The increase in ledger assets is significant, having in mind the heavy payments, $2,723,000, involved in another quinquennial distribution of profits to policyholders. Usually these periods of division have left little margin of income for investment, but although the disbursements on this account during the year were greater than ever before, we have concurrently been able to make the largest addition to assets in our history. The explanation lies in the increased income from all sources.

Your assets have again been valued most conservatively. True, there are some items included on the price basis authorized by the Minister of Finance having in mind their permanency and the security behind them, but any temporary difference between this book value and the present market quotations is covered several times over by the special contingent funds which you have set up during recent years to meet just such a situation. In addition to these funds there is in other of your assets a favorable margin of approximately half a million dollars as between their value in our books and their market value. You will remember that, except in the instance above mentioned, it has been our practice to record any downward movement in our investment values, but we do not take advantage of a rising market to write them up.

The continuous growth of your company has made it necessary for us to absorb practically all of the space in this building and to give careful consideration to its future housing. You will remember that some years ago, with this thought in mind even then, your Directors acquired the adjoining corner of King and Bay streets, and early last year they authorized the purchase of two parcels immediately to the north of our Bay street frontage, which, I am sure, will carry your approval. The company, therefore, now owns a rectangular block with a frontage of 166 feet on King street and 234 feet on Bay street, upon which, as the demand arises, ample provision may be made upon a fitting scale for the requirements of this great institution.

During the year great distress came to us in the death of our very dear friend and colleague, Mr. Alexander Bruce. Mr. Bruce had been for nearly sixty-four years associated with this company in its legal department, of which he was for so long the honored head, and as a Director. He gave always to your service from the fullness of an excellent and well-stored mind, and had for the institution a never-failing fidelity and affection. Your Directors were fortunate in securing in his stead the co-operation of Sir Thomas White, who has become during recent years such an international figure. Sir Thomas joins the Board as a representative of the policyholders.

The greatly increased business which the statement indicates made heavy demands upon the energy and initiative of all branches of the service and your Directors desire to make expression of their appreciation of the splendid spirit and facility with which they were met.

It is again a pleasure to acknowledge my personal obligation to my colleagues upon the Directorate, to our boards in Great Britain, to the officials, the medical directors, the solicitor, the agency and the loan managers, and each individual unit of the staff in the Home Office and in the Field for the consideration and support they have given so ungrudgingly and which enable us to submit to you such an excellent record of the year's operations.

SUCCESSFUL YEAR FOR THE CANADA PERMANENT LOAN

A Better Demand Indicated For Mortgage Funds

RESERVE NOW $6,000,000

Is Equal to Paid-up Capital and an Increase in Dividend Rate is Now Being Anticipated

Improved conditions in the mortgage field during the past year are indicated in the annual report of the Canada Permanent Mortgage Corporation. Earnings of $854,277 were reported as compared with $827,983 in the previous year and $824,532 two years ago. Dividends took $600,000 and $250,000 was added to the reserve fund, leaving a small balance to be added to the $150,493 brought forward. Following are comparative figures:

Year.	Div.	% on Cap.	Earnings
1920	10	14.23	$854,277
1919	10	13.79	827,983
1918	10	13.73	824,523
1917	10	14.20	852,325
1916	10	14.44	866,126
1915	10	14.53	872,105

As forecast last week the statement shows total reserves of $6,000,000, or equal to the paid-up stock, and it has been hinted that it will only be a matter of time until there is a more favorable dividend distribution to the shareholders. Earnings last year were at the rate of 14.24 per cent. on capital as compared with a 10 per cent. dividend paid. Following are features of the earnings record for the past six years:

	1920.	1919.	1918.
Net profits	$854,277	$827,984	$824,532
Bal. forward	150,493	172,509	197,977
	$1,004,770	$1,000,493	$1,022,509
Distribution—			
Dividends	$600,000	$600,000	$600,000
Reserve	250,000	250,000	250,000
Balance	154,770	150,493	172,509
	$1,004,770	$1,000,493	$1,022,509

Although there was some contraction in sterling debentures outstanding and in deposits, there was a considerable increase in currency debentures so that there was only a small change in liabilities to the public, while liabilities to the shareholders were considerably larger. Altogether total assets at $33,065,554 were slightly higher than the $33,054,238 shown at the end of the previous year.

The statement of assets shows mortgage loans of $28,064,269 as compared with $26,211,306 a year ago. Loans on stocks and bonds were considerably smaller, indicating that during the year the company was able to put a larger portion of its assets into mortgages than was the case during the war period. Following are some comparative figures from the balance sheet:

Liabilities.

	1920.	1919.	1918.
Deposits	$6,129,483	$ 6,206,962	$5,461,986
Deb. ster.	9,642,551	10,244,642	9,938,660
Deb. cur.	4,553,765	4,122,278	3,798,058
Deb. stock	427,519	427,633	427,632
Sundries	7,464	2,229	*12,589
Cap. stock	6,000,000	6,000,000	6,000,000
Reserve	6,000,000	5,750,000	5,500,000
Div. pay.	150,000	150,000	150,000
Balance	154,770	150,493	172,509

Assets.

	1920.	1919.	1918.
Morts.	$28,064,269	$26,211,306	$26,318,586
Loans	296,623	404,699	502,866
Bnds & Stks.	2,267,344	4,232,768	2,045,344
Real estate	451,333	228,259	311,086
Offices	782,134	732,135	628,355
Cash	1,253,848	1,245,070	1,655,148

MILLIONS FOR WELFARE

What U. S. Steel Corporation Has Done For Employees

United States Steel Corporation's Bureau of Safety, Sanitation and Welfare has issued its eighth annual bulletin, profusely illustrated, showing that the corporation from January 1, 1912, to September 30, 1920, expended a total of $81,162,943 in workers' welfare and allied activities. The different items were $14,011,487 for welfare, $14,724,964 for relief of men injured and families of men killed, $11,246,859 for employees' stock subscription plan, $1,978,765 for pension fund payments in excess of income provided by permanent fund, and $8,000,000 for the creation of a permanent fund.

As a result of the corporation's safety program the number of accidents per 1,000 employees was reduced 54.04 per cent. as compared with 1906 when the safety campaign was started. It is estimated, on the basis of the 1906 figures, which are the first accurate ones available, that 29,550 employees have been saved from serious injury in fourteen years.

Representatives of more than 100 hosiery mills in South meeting in Charlotte, N.C., said all but two of mills are operating three and four days a week and all are expected to be running full time in a few months.

BEAVER FIRE CO.

Income from All Sources for 1920 Totalled $145,739

Gross income for 1920 from all sources of the Beaver Fire Insurance Company, of Winnipeg, amounted to $145,739. From this total, after providing for necessary expenses and meeting dividend payments at the rate of 8 per cent., amounting to $15,626, and a sepcial bonus of $21,035, there remained a balance of $1,150, which was carried forward. The balance sheet reveals assets amounting to $397,892, and including the sum of $339,368 in bonds, debentures and mortgages. Cash in the bank and on hand totals $31,998. Against these assets there are paid up capital of $216,360 and reserves for various purposes of $81,097.

TORONTO MORTGAGE IN GOOD POSITION

Increased Profits Reported — Reserve Fund Approaches Paid-up Capital

Shareholders of the Toronto Mortgage Company have this year received a very satisfactory report of the company's affairs. Profits were substantially higher at $93,385 as compared with $90,172 in the report presented a year ago. After the payment of dividends, amounting to 9 per cent., the sum of $30,000 was added to the reserve, there still being a balance available of $37,588 as compared with $39,412 brought forward. Following are comparative figures:

	1920.	1919.	1918.
Bal. forward	$ 39,412	$ 39,449	$ 37,871
Profits	93,385	90,173	89,542
*Prov. for loss	.....	25,000	.....
	$132,797	$154,622	$127,413
Distribution—			
Dividends	$ 65,209	$ 65,209	$ 57,964
Reserves	30,000	50,000	30,000
Balance	37,588	39,412	39,449
	$132,797	$154,622	$127,413

*Prior provision for losses not now required.

Earnings were at the rate of 12.9 per cent. on capital and 6.7 per cent. on investment. Following are features of the earnings record for the past five years:

Year.	Paid-up Capital.	Profits.	Div.	% on Cap.	Earn. Rate
1920	$724,550	$93,385	9	12.9	6.7
1919	724,550	90,172	9	12.5	6.7
1918	724,550	89,542	8	12.4	6.6
1917	724,550	90,824	8	12.6	6.9
1916	724,550	95,140	8	13.1	7.8

The reserve fund now totals $700,000 as compared with paid up capital of $724,550. It would seem to be altogether likely that by the end of another year the reserve will be brought up to equal the capital, after which even more favorable treatment of the shareholders could be reasonably anticipated.

Liabilities to the public were reduced from $1,793,416 to $1,690,023, there being some contraction in both sterling and currency debentures outstanding, while deposits were also somewhat lower. Reflecting this condition there was also a change in mortgage loans which are lower by nearly $200,000.

ALBERTA'S FINANCIAL POSITION IMPROVES

No Shortage of Mortgage Funds Anticipated This Year

CALGARY.—The closing weeks of 1920 and the opening of the new year have witnessed a distinct improvement in the financial conditions in the province of Alberta as evidenced by the speeding up of payments on mortgage and land agreements during that period. Prior to December such payments were slow in coming in, and this delay was attributed to the inability of the farmers in the province of Alberta to market their grain, and to the fact that many of them refused to sell at the current market prices. During December, however, marketing conditions were much improved. More cars became available for the shipment of grain with the result that a greater amount of money was circulated among the farming population, where most of the loans lay.

Discussing the outlook for the year H. A. Howard, head of the Trusts and Guarantee Company here, stated that there would be no difficulty in securing money on mortgage loans providing good security could be offered. The money lending companies appeared to have sufficient capital in hand to meet all the legitimate requirements in Alberta during 1921. It was possible, he added, that the rate of interest on mortgage loans would be increased to a certain degree. With high-grade municipal securities offering 8 per cent. and even better, the rate on mortgage loans must naturally be a little higher.

BEST REPORT FOR NATIONAL LIFE IN COMPANY'S HISTORY

Substantial Gains Are Noted In All Departments

RESERVES INCREASE

Company's Position Reflects Renewed Demand for Life Insurance During Greater Part of Year

An increase of business in all departments of the National Life Assurance Company of Canada as revealed by the financial statement just issued covering the operations of the company for the year ending December 31 last, is in part the outcome of the tremendous demand for life insurance that was maintained throughout the greater part of the year, and which has been reflected also in the statements of other companies previously reviewed in these columns.

President A. J. Ralston in his address to the shareholders points out that in all his sixteen years' association with the company it has not been the privilege of the directors to present such an attractive statement. An examination of the report bears out this remark for during the year some 3,009 applications for $8,362,802 new insurance were received compared with $5,240,352 in 1919. Of the applications last year 2,874 for $7,501,852 were accepted and for which policies were issued, placed and revived. Applications for $860,950 were declined or postponed.

The total insurance in force at the end of the year was $30,806,390, with annual income thereon of $1,063,316, the former figure comparing with total insurance for 1919 amounting to $26,816,000. The total cash income for the year 1920 was $1,280,558, which is an increase of $181,038 over the previous year. The amount of death claims, including amounts reinsured, was $240,990, an increase compared with the previous year of $102,171.

President Ralston calls attention to the fact that the company's investments, which comprise over 85 per cent. of Canadian government and municipal bonds, totalling over 1,170 separate and distinct investments, are represented in the statement at $441,310 below par value, and this substantial amount will later come into the surplus of the company.

Assets Increase

The company's assets at the close of the year totalled $5,179,182, and with uncalled capital the amount is $5,929,182, being an increase over 1919 of $332,440. Total reserves commuted on the government standard 3½ per cent., including extra reserves of $115,413, amount to $4,298,458, or an increase of $324,079, while net increase in surplus, including dividends to shareholders and policyholders after paying death claims and all other expenses is $99,140.

In addition to investments in government and municipal bonds, the company holds stock in a number of Canadian banks, and the Consumers' Gas Company of Toronto, all carried out at book value total $215,638. In addition there are policy loans secured by government reserve to the amount of $476,430.

WORKMEN'S COMPENSATION.

Committee from C.M.A. to Meet Labor Representatives.

MONTREAL.—The recent proposal of the Trades and Labor Congress of Canada in the direction of a Workmen's Compensation Act for the Province of Quebec, the details of which were outlined a few weeks ago in these columns, is being taken up in a friendly conference that will be held between the representatives of the labor unions and the Montreal branch of the Canadian Manufacturers' Association. The committee appointed by the manufacturers for this purpose, consists of Julien C. Smith, vice-president and general manager of the Shawinigan Water & Power Company; T. P. Howard, former president of the Canadian Manufacturers' Association; and R. H. McMaster, vice-president and manager at Montreal of the Steel Company of Canada. It is believed that the two bodies will be able to draft a bill that will be acceptable to the Quebec Legislature.

Harvard Knitting Mills, which inaugurated profit sharing plan year ago and paid 20 per cent. bonus early in 1920, announces that company's business showed net losses last year which must be shared by employees. Deficit will be carried by company this year and amount marked off profits of next prosperous year.

C.M.A. ANNUAL MEETING.

MONTREAL.—The next annual convention of the Canadian Manufacturers' Association will be held at Quebec City during the month of June.

BRITISH MORTGAGE HAD A BIG YEAR

Profits and Assets Showed Substantial Increases—A Bonus Paid

Another substantial increase in profits is shown in the annual report of the British Mortgage and Loan Company of Ontario, Stratford. Net earning of $92,550 compared with $82,953 in the previous report and $73,823 two years ago. Dividends took $70,000, including a bonus of 2 per cent. and $30,000 was added to reserve, reducing the balance from $10,251 to $2,801. Following are comparative figures:

	1920.	1919.	1918.
Net Profits	$ 92,550	$82,953	$73,823
Bal. forward	10,251	7,298	3,475
	$102,801	$90,251	$77,298
Dividends	$ 70,000	$60,000	$50,000
Reserve	30,000	20,000	20,000
Balance	2,801	10,251	7,298
	$102,801	$90,251	$77,298

The company showed profits of 18.5 per cent. on capital and 9.8 per cent. on investment. Following are features of the earnings record for the past five years:

Year	Paid-up Capital	Profits	Div.	% on Cap	Earn. Rate
1920....	$500,000	$92,550	12+2	18.5	9.8
1919....	500,000	82,593	12	16.5	9.1
1918....	500,000	73,823	10	14.7	8.2
1917....	500,000	62,984	10	12.5	7.9
1916....	450,000	63,942	9	14.2	8.3

An interesting feature of the income account is an item of $15,106 being profit on sale of bonds payable in New York funds. The increased demand for mortgage funds is indicated in the fact that such loans increased from $1,676,008 to $1,762,450. Holdings of government and municipal securities increased from $1,212,820 to $1,452,880. Total assets are now $3,357,510 compared with $2,973,817 one year ago.

RETAILERS ARE REDUCING STOCKS

Many Price Reductions Have Been Advertised the Last Few Weeks

"Monthly Review," Federal Reserve Bank.

There are numerous signs that retailers are determined to reduce their stocks. Many price reductions have been advertised, particularly in the last few weeks, covering a wide range of merchandise. At the same time retailers as a whole are not replenishing stocks, except to meet current demands.

Present efforts to stimulate trade contrast with the relative indifference to prices prevailing a year ago, when certain stores refrained from advertising prices altogether, and the consumers were buying without much concern as to what they paid. When wholesale prices declined and much publicity was given to lower wholesale prices, consumers hesitated to buy, expecting price reductions to be passed on to them. Retailers have recently undertaken to overcome this attitude by advertising reduction sales, and there has been a fair volume of purchasing where the public had confidence in values.

Within the past month men's clothing has been reduced from 15 to 30 per cent. Reductions on men's wear, such as collars, shirts, ties and underwear, have been sharp and considerable merchandise has been sold. There have also been reductions on women's garments, but they were not so large as in some other lines, inasmuch as there has been a fairly good demand from consumers. There have been substantial reductions on piece goods, particularly on silks. Holiday buying is below normal. Sales of musical instruments, jewelry and passenger automobiles are lower than a month ago, considering the usual increase at this season. There has been a slight lowering of prices, apparently due largely to a need for liquidation.

Figures received from representative retail stores in New York City indicate that net sales in October were above those of last year and this increase has been even more marked in smaller cities in the district. These increases, however, are due mostly to large dollar receipts resulting from higher prices in October, 1920, than in October a year ago. Stocks at the end of October were practically unchanged from what they were at the end of September. This fact, coupled with the small number of outstanding orders, would indicate that stores have kept up their stocks for the holidays largely by replacement purchases for their immediate needs.

MIDLAND LOAN.

Profits Slightly Smaller Than for Previous Year.

A small reduction in profits for the year is shown in the annual report of the Midland Loan and Savings Company. Net earnings totalled $42,767 as compared with $43,607 for 1919 and $41,076 for 1918. The dividend rate was increased from 8 to 8½ per cent., requiring $30,600, in addition to which $18,699 was added to reserve, the balance being reduced to $22,024 compared with $28,556 brought forward. Following are comparative figures:

	1920.	1919.	1918.
Net profit	$ 42,767	$43,607	$41,076
Balance forward	28,556	23,749	21,473
	$71,323	$67,356	$62,549
Distribution—			
Dividends	$ 30,600	$28,800	$28,800
Reserve	18,699	10,000	10,000
Balance	22,024	28,556	23,749
	$71,323	$67,356	$62,549

Following are features of the company's earnings record for the past five years:

Year	Paid-up Capital	Profits	Div.	% on Cap	Earn. Rate
1920....	$360,000	$42,767	8½	11.8	6.3
1919....	360,000	43,607	8	12.1	6.6
1918....	360,000	41,076	8	11.3	6.3
1917....	360,000	41,299	8	11.4	6.5
1916....	360,000	42.043	8	11.6	6.8

MANITOBA'S MINERALS

A pamphlet entitled "Mineral Prospects in Southeastern Manitoba," prepared by Prof. J. S. DeLury, has been published by the provincial government. The mineral resources of the province are carefully reviewed in detail, and special space is devoted to a description of the mineral wealth of the Rice Lake area which has lately sprung into prominence This publication will have a very special value for all interested in the mineral wealth of Manitoba.

End This Extravagance, Says Mackenzie King in MACLEAN'S

"There is the greatest need for an end to extravagance, and for the exercise of the strictest economy in the administration of public affairs," says W. L. Mackenzie King in the January 15th issue of MACLEAN'S.

HE adds, further: "The first aim of the Liberal party in Canada to-day is to bring about such co-operation and co-ordination of effort among men and women of liberal aims"—(a small "l" please note)—"and aspirations as will ensure defeat of the combined forces of a reactionary Government, and make possible, in matters of Government, the re-assertion and ultimate triumph of liberal" — (still a small "l")—"principles and policies."

Is This a Message to Mr. Crerar?
Is This a Plea for Union of Farmers and Liberals?

Other Big Features in January 15th MACLEAN'S

There are fifteen other big feature articles, serials, short fiction and regular departments. These include:

"The Human Speedometer"
By Charles Christopher Jenkins.
The story of a Canadian who "times" race-horses as a profession.

"The Hat" By Frederick Niven.
A vivid word-picture of a feature of our West which strikes this war correspondent.

"My Flirtation Ends"
By Mrs. "Margot" Asquith.
Wife of former Premier of Great Britain tells how her eight years' dalliance with Peter ends.

"Our Lost Immigrants" By Miss Agnes C. Laut.
She tells some cold, hard facts, and explains why hundreds of thousands left Canada.

"Scarlet and Gold"
By Colonel George Ham.
Who gives here a few chapters from the romantic history of the Royal North West Mounted Police in earlier days.

"Paying the Doctor to Keep You Well"
By Ethel M. Chapman.
A worth-while and timely article, depicting the work of the Life Protective Association.

"A Canadian Child Poet"
A little bit about twelve-year-old Miss Rae Maltby Verrill, of British Columbia, whose work seems to show promising talent.

Interesting Fiction

"The Big Time Man"
By C. W. Stephens.
A bottling-business romance.

"The Act of God"
By Beatrice Heron-Maxwell.
A near-murderer's escape.

"Jane Ann's Rival, Mabel"
By Archie McKishnie.
A Lenix Ballister episode.

"The City of Peril"
By Arthur Stringer.
A romantic, Bolshevistic serial.

Review of Reviews

The Cream of the World's Literature:

"The Dreamer in the Kremlin."—H. G. Wells.
"Chaplin Prey to 'Blues'."—Benjamin de Casseres.
"Which Labor Policy?"—Wm. B. Dickson.
"How Militarist is Japan?"—Quarterly Review.
"Trapping an Elephant Herd."—Charles Mayer.
"Why Not Tax Bromides?"—Henry Arthur Jones.
"Trotzky, a Human Dynamo."—Francis McCullagh.

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The Royal Bank of Canada Reports Most Successful Year

Sir Herbert Holt, President, States That, Considering the Times, Canadians Are a Fortunate People—Government Ownership of Railways and Fleet More Expensive Than Pension Charges and Other Legacies of War.

Edson L. Pease, Vice-President and Managing Director, Points Out That Business is Being Brought Down to a New and Sounder Basis—Foreign Branches Important Factor in Building Up Foreign Trade of the Dominion.

C. E. Neill, General Manager, Reviews Most Successful Year in History of the Bank—Total Assets New Stand at $594,670,013, an Increase for the Year of $61,022,928.

The fifty-second annual meeting of the Royal Bank of Canada, held at the Head Office of the Bank, brought together a very large number of shareholders and was attended by members of the Board of Directors from all over the Dominion.

During the past year, there have been many developments throughout the world that have had a direct bearing on trade and financial conditions. On this account, there was special interest in the addresses submitted by Sir Herbert Holt, the President; Edson L. Pease, the Vice-President and Managing Director and C. E. Neill, the General Manager.

Sir Herbert Holt referred in a very interesting manner to the unfortunate results that were being shown by the Government operation of railways and the mercantile fleet, pointing out that this system of Government operation was likely to be more expensive for the tax payers of Canada than all the pension charges and other legacies of the war combined. He insisted that what the country needed most of all was a business-like administration of its assets. If this could be afforded, Canada could face her problems with added confidence.

Sir Herbert also dealt very fully with the situation in Cuba, where financial disturbances have occurred as a result of the changed conditions, as applied to the sugar crop. Summing up the situation in that country, Sir Herbert said:

"Thanks to the precautions taken by our management in early warning our officers in Cuba of the inevitable reaction that would follow the excessively high prices and instructing them to adhere to our policy of making no advances for speculative purposes, I am pleased to tell you that we have made no loss, and do not anticipate making any loss, as the result of the present financial disturbances; in any case, full provision has been made for unforeseen contingencies. We are conducting business as usual, not taking advantage of the moratorium, being satisfied, after an experience of over twenty years, that there is no safer banking field than Cuba."

ADVANTAGE OF FOREIGN BRANCHES

Edson L. Pease, Vice-President and Managing Director, devoted particular attention to the constructive co-operation which the Bank has given to the development of the export and import trade of the Dominion and referred particularly to the advantages of the larger banks having their branches at outside points, in order to keep in close touch with its customers and to be able to give efficient personal service. In this connection, Mr. Pease said:

"Without exception, the operation of our foreign branches has been satisfactory, and in this connection I desire again to put on record my views as to the advantage of conducting foreign business where possible through the medium of our branches rather than through affiliations with other banks, which we do not control. It is only through its own branches that a Bank can keep in close touch with its customers and give efficient personal service.

"That the expansion of a bank does not mean a drain on the main organization is something which I have had occasion to point out many times. The figures of our foreign loans and deposits, as they stood at November 30th last year, affirm this fact:

Deposits	$164,000,000
Loans	102,000,000

"The Commerce Reports of the Dominion have year by year afforded ample testimony of the national service rendered by the Bank in extending our markets abroad. Wherever we have opened branches, trade with Canada has been stimulated. This statement is emphasized by a recent report in which the Trade Commissioner for Brazil draws attention to the fact that since the inauguration of a direct shipping service by the Dominion and of the banking facilities which The Royal Bank of Canada have provided, trade between Canada and Brazil, previously of small dimensions, has shown a distinct increase."

Mr. Pease also dealt in a very efficient manner with the question of trade relations between Canada and the United States and gave interesting particulars regarding the tremendous increase in the purchase being made by Canadians in the neighboring Republic. He pointed out, however, that while we were being penalized through the discount of the Canadian dollar, Canada was in a better position in this respect than any other country.

CAREFUL REVALUATION OF ASSETS

C. E. Neill, General Manager, dealt with the features of the growth and development of the Bank during the past year. He said, in part:—

"The substantial growth in the bank's resources has resulted in a satisfactory increase in earnings, the net profits being $4,253,649.24, equal to 23.70% on our capital, or 12.01% on our combined capital and reserve.

"The usual dividends and an additional bonus of 2% have been paid to shareholders, and a balance of $546,928.20 is carried forward in Profit and Loss Account.

"I desire to draw particular attention to the fact that in addition to writing off all bad debts, the fullest provision has been made for any loans of a doubtful character.

"In view of existing conditions, a particularly careful revaluation of the assets of the bank has been made, and it is gratifying to know that our position is a very satisfactory one. In this connection I wish to draw special attention to the fact that the loans of the bank are very widely distributed and that we have no unusually large individual advances of any kind on our books.

"Our loyal and efficient staff has rendered particularly good service during the past year."

General Manager's Address

The Statement submitted to you today records another year of substantial growth. The total assets of the bank are now $594,670,013.43, an increase of $61,022,928.50 for the year. Total deposits are $455,017,387.02, the growth being $61,463,229.74.

It will be noted that there is a shrinkage in free deposits, which is accounted for by the fact that on November 30, 1919, we had large special deposits in connection with subscriptions to the Victory Loan.

The substantial increase in interest-bearing deposits is a particularly satisfactory feature, inasmuch as deposits of this class to a considerable extent represent the savings of the people.

The note circulation of the bank continues to expand.

An increase of no less than $52,951,830 in current loans is the result of our policy of affording legitimate assistance to clients of the bank during a period of great trade expansion. The percentage of current loans to total assets of the bank is now 48.16.

The substantial reduction in our holding of Government securities is due chiefly to repayment of loans granted to the Imperial Government for war purposes.

In view of the heavy demands made on us by commercial borrowers, it is satisfactory to note that the liquid position of the bank is well maintained, liquid assets being 50.50% of liabilities to the public, our actual cash and deposits in the bank being over 30% of our total liabilities.

Increase in Capital and Reserve

The capital of the bank has been increased during the year by the issue of 34,000 shares to our shareholders at $150 per share. Although the final instalment is not due until April 11th, only $265,990 remains to be paid on account of the new issue.

The Reserve Fund now equals the capital, having been increased through the year by premium received on new stock and by an appropriation from profits.

The President's Address

Sir Herbert S. Holt, in moving the adoption of the Directors' Report, said:

It affords me great pleasure to move the adoption of the report.

In a year marked by world-wide economic disturbances, our profits have been very large, enabling us to make liberal distributions.

Credit inflation and increased prices for all commodities continued up to three months ago when we entered upon the last and most difficult stage of reconstruction, the lowering of abnormal prices to natural levels. We stated at our last Annual Meeting that such a readjustment was inevitable, and all the efforts of the bank have been directed to a quiet and orderly transition with the least possible injury to trade and industry. An increase in our current loans of $40,000,000 proves that we have been at all times ready to extend reasonable assistance to the business community.

The precipitate decline in the price of practically all commodities has been followed by an epidemic of cancellation of contracts, not wide-spread in Canada, but very prevalent abroad. I consider this a very dangerous symptom. To seek to escape payment for merchandise at prices which now indicate a loss is dishonorable. Our entire business structure is based on integrity, and has developed only as business morality has developed. Creditors should, wherever possible, give longer time to those of their customers who have to realize on goods bought at high prices. In return, these customers should stick to their agreements. Any other procedure is fatal to good business.

Our trade continues to grow in volume, but during the year just ended imports have exceeded exports to the extent of some $50,000,000. This adverse balance of trade is disquieting, and the outflow of returns on foreign capital adds to the difficulties of the situation. The steady increase of American investments in Canada is an equalizing factor, but inadequate. Only by increasing the sale of Canadian commodities can we avoid increasing our foreign indebtedness. Never, even in war time, was it so essential to increase our exports. A duty falls on manufacturers to produce articles of a quality and price that will compare favorably with foreign makes, and on our agricultural interests to increase production.

Canada's Position Sound

The position of Canada is fundamentally sound. Considering the times, we are a fortunate people. No nation has escaped the aftermath of the war, and throughout the world there is disturbance or unrest. In China famine spreads desolation, confusion and terror reign in Russia, while Europe is grappling with complex problems. Even in progressive Japan, industry is paralyzed. Contrast this with our condition. Our crops are the most valuable in our history, even at the reduced prices obtainable; bank deposits have doubled since 1913; most merchants have set aside reserves in the years of plenty to tide them over a lean period, and a great part of the bonded indebtedness of the country is held within the Dominion. Moreover, our friendship and cordial relations with our neighbor render unnecessary the expenditure for armaments which is strangling Europe. Unemployment is less, and business failures are fewer, comparatively, than in the United States, and when our war liquidation is over, we should be among the first to enter upon a new era of stable prosperity.

Already there are signs of improvement in Great Britain. She is rapidly regaining strength, and reducing her foreign financial obligations. Those to the Canadian banks will be repaid in instalments within eighteen months. During the last twelve months the exchange value of the pound sterling has made an average advance of thirty per cent. in the ten principal markets of the world. Its present low value in the United States and Canada is not an index of British conditions, but of the additional weight of finance borne for other European nations.

The world needs an enduring peace and we have followed with pride the action of our representatives at the first meeting of the League of Nations. They have voiced our resolve to maintain the position won through great sacrifice. We cannot hope to resume normal trade relations with Europe until settled conditions are restored. In the meantime, it is well for us that our Empire offers so wide a market, with adequate means of payment, and assurance that trade contracts will be respected.

High Cost of Government Operation

Government control has practically disappeared during the year just past—wheat, paper and sugar being the commodities to be freed from regulation. Government ownership of transportation systems has developed. Without any advantage to the public in efficiency or rates, the operation of our national railways during the last twelve months has resulted in a loss which will probably more than absorb the amounts collected on Excess Profits and Income Taxes for the year 1919. Unless Government methods of operation are more efficient in this country than they have been in others, tax payers in Canada may find the maintenance of their railroads and fleet more expensive than pension charges and other legacies of the war combined. Of a total of $6,400,000,000 spent by the United States during the last year, $1,037,000,000 went to pay the cost incurred by the Government in its control of the railroads. The present waste is obvious and the remedy should be speedy and effective. The needs of the country call for business-like administration of its assets. If this be afforded, we can attack our problems with added confidence.

Our subscription of $250,000 to the recent Campaign Fund of McGill University—payment of which is spread over a period of five years—will, I am confident, meet with your hearty approbation. Our country, with its undeveloped natural resources, its vast stretches of untilled farm lands, and its growing trade, needs the services of skilled men and women such as McGill and Macdonald send forth. In years to come the expenditure will yield a manifold return to the nation, and through the nation to the bank.

Situation in Cuba

You will doubtless wish to hear how we fared in Cuba, in view of the recent financial disturbances in that Island, and our interests there. The business of Cuba is bound up in sugar. Production last season was some 700,000 tons less than estimated, and prices naturally rose abnormally, reaching over 23½c last May. A sugar famine in the United States appeared inevitable, when relief came from an unexpected source. Financial disturbances in the Far East, and the sudden fall in the silver exchanges, led to the curtailment of Far Eastern purchases of sugar in the Java market. This sugar was available for the United States, and it is estimated that that country purchased altogether 500,000 tons of Javan and other sugars, of which ordinarily not a pound would have come to this continent. The market price broke violently and has continued steadily downward, to-day the quoted price being 4½ cents per pound. Cuba was left holding a stock of 300,000 tons, about 10% of last season's production. 90% of the crop had been sold at prices which averaged not less than 10c per pound, and the amount thus realized, over $700,000,000 was much greater than that obtained for the whole crop of 1918-19, itself a record season. Certain individuals and firms, however, were hard hit by the collapse in prices. The fall left them to face a severe loss, and these individual embarrassments were the original cause of Cuba's troubles. The difficulties of one Cuban bank, which suspended operations in October last, were caused only partly by losses in sugar. The main reason was probably over-extension of its business. On its suspension the Cuban Government declared a moratorium.

While I see no need for pessimism at this time, we should look the situation in the face. The present reation is a temporary set-back only, but before normal business activity is restored, further liquidation is inevitable. In the United States this liquidation has proceeded far more rapidly than here, and the fall in prices has been much greater than with us. I see no escape from the common level. This further fall will involve business losses, curtailment of manufacturing and partial unemployment of labor. Trade will then be placed on a sounder and surer basis. There is comfort in the thought that a return to normal prices will bring relief from the high cost of living which has become so intolerable.

The Vice-President

Mr. E. L. Pease, Vice-President and Managing Director, in seconding the motion for the adoption of the Directors' report, spoke as follows:

The past year has been an eventful one. Within the last few months we have seen the period of rising prices brought to an end. The high was reached in May last, since when there has been an average decline in wholesale prices of more than 15%. In the United States there was a decline of 34%, thirteen per cent. of which occurred in the month of November. For the majority, the cost of living is governed, not by wholesale, but by retail prices, and the average of these in Canada and elsewhere has not yet declined to nearly the same extent as that of wholesale prices. Stocks are probably quite up to normal, while buying power has weakened, therefore retail price reductions are to be expected now that the holiday season is over.

The character of our foreign trade has also changed sharply. The year ending November 30, 1920, shows an adverse balance of $56,000,000 as compared with a favorable balance for the year ending November 30, 1919, of $330,000,000. Exports during the past year were well maintained at slightly above the level of the previous year, but imports showed an increase of $425,000,000. Our imports from the United States amounted to $925,000,000, an increase of $200,000,000 over the previous year, due in large part to increased prices of commodities. During the five years, 1910-1914, the percentage of exports to the United States to imports from the United States averaged 40%. Since then the percentage has improved, and will probably be 58% this fiscal year. Our exports last year were notably supported by sales of lumber, pulp and paper. On the other hand, the consumption of those articles for the supply of which we are largely dependent upon the United States, is increasing with the growth of the country. Iron and steel products imported during the six months ending September, were of about the same value as those for the entire fiscal year 1913, viz: $130,000,000. The year's purchases of cotton and its products in the United States were $70,000,000, compared with $17,000,000; automobiles 11,000 as against 8,000; $12,500,000 worth of automobile parts as compared with less than a million dollars. We consumed 300,000,000 gallons of United States petroleum, gasoline and lubricating oils, as against 190,000,000 in 1913.

Necessity of Increased Exports

Is it any wonder we are suffering from adverse exchange rates? The only correctives are, we repeat, the curtailment of imports of non-essential articles and the increase of exports. So far as a country's currency is at a discount, the cost of imports is increased, and wide fluctuations tend to change legitimate business into speculation. We in Canada have been fortunate in that our exchange relations with the United States have been fairly stable compared with those of other countries with the United States. The premium on American funds ranged from eight to nineteen per cent. during the past year and is now 15%. Contrast this with the discount on other currencies in New York on December 31st; Sterling 27%, French exchange 69% and Italian exchange 82%.

Difficulties incident to a period of falling prices in Canada and abroad have been lessened by the fact that this year's field crops in the Dominion have been abundant, and are estimated to represent in value an increase of one hundred and eighty-four million dollars over the previous year, this despite the fact that the acreage sown to wheat in 1920 was about a million acres less than the previous year, and the average price for wheat is low compared with the price paid by the Government last year for the entire crop, viz: $2.63 per bushel. The partial abstention of the British Royal Commission from buying new crop wheat has been an unfortunate feature, but their place in the market has been taken to a certain extent by the United States and various continental countries.

Between September 1st and the close of navigation on December 14th, 85 million bushels of wheat were shipped by water from Port Arthur and Fort William, of which 57 million bushels went to United States ports, and 28 million bushels to Canadian ports. These shipments compare with 52 million bushels for the same period in 1919, 50 millions in 1918, and 87 millions in 1917. It is evident that the quantity of wheat sold by the farmers this season is much greater than last, the increase in sales being probably in excess of 20 million bushels, in spite of delays in threshing and transportation difficulties.

A favorable feature, and one likely to have considerable effect on the future production of the Western Provinces, is the development of the Soldiers' Settlement scheme. The Board in charge of this scheme reports that in the Western Provinces alone, returned men have taken up a total of 3,100,000 acres of land; of these, two million acres are free lands granted to veterans, 8,000 of whom have availed themselves of soldiers' grants under the Act. Nearly 14,000 loans, amounting altogether to 56 million dollars, have been made by the Board to settlers in the three Prairie Provinces. In all Canada, there were 20,000 loans effected, totalling $80,000,000.

Development of Foreign Trade

Despite the generally unsatisfactory condition of international trade, due to impaired buying power and depreciation in exchanges, we have every reason to be thankful for the results and the quality of the business we have built up in the countries where we are represented. Our branches in South America are making steady progress, and we are well pleased with the outcome of our first year's operations there. We are moving slowly, taking no undue risks. It must not be supposed that a bank's interests in a foreign country are necessarily jeopardized in consequence of weak exchanges. As a matter of fact we are not affected by the wide up and down movements in exchange, since our position in the exchange market is covered daily by sales against purchases and vice versa.

Without exception, the operation of our foreign branches has been satisfactory, and in this connection I desire again to put on record my views as to the advantage of conducting foreign business where possible, through the medium of our own branches rather than through affiliations with other banks, which we do not control. It is only through its own branches that a bank can keep in close touch with its customers and give efficient personal service.

That the expansion of a bank does not mean a drain on the main organization is something which I have had occasion to point out many times. The figures of our foreign loans and deposits as they stood at November 30th last year affirm this fact.

Deposits	$164,000,000
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The Commerce Reports of the Dominion have year by year afforded ample testimony of the national service rendered by the bank in extending our markets abroad. Wherever we have opened branches, trade with Canada has been stimulated. This statement is emphasized by a recent report in which the Trade Commissioner for Brazil draws attention to the fact that since the inauguration of a direct shipping service by the Dominion and of the banking facilities which The Royal Bank of Canada have provided, trade between Canada and Brazil, previously of small dimensions, has shown a distinct increase.

I referred last year to our intention of establishing a department which would provide enquirers with any special information desired. The Foreign Trade Department has now been in operation for nearly a year, and during that time has been able to render many services to Canadian exporters and importers, and to our clients abroad. In addition to providing general information on foreign markets, this department has in many cases placed Canadian exporters in touch with prospective customers with whom they have later developed a satisfactory business. In the early part of the year it was frequently impossible to find Canadian producers who were in a position to consider the many orders which came from other countries; Canadian conditions are now changing, but in view of conditions abroad we are advising exporters to proceed with caution. We think that in the years to come our intelligence department will prove of great utility.

The department also compiles and publishes a Monthly Commercial Letter reviewing trade and business conditions in Canada and the countries where we are established. This letter has been much appreciated by those who receive it. We further published, a few months ago, a booklet on Canada's possibilities, which has had a large circulation among manufacturers and business men in the United States, and to a lesser degree in England.

Preferential Tariff With British West Indies

The preferential tariff agreement between Canada and the British Colonies in the Caribbean, which now awaits ratification by the Dominion Parliament, will not only result in trade advantages, but will serve to strengthen the movement for closer union. A most gratifying feature is that Jamaica, British Honduras, Bermuda and the Bahamas, which did not join in the old pact of 1912, are parties to the new arrangement. Canadian trade with these British colonies, which was increasing steadily under the influence of the preferential tariff arranged in 1912, will receive fresh impetus from the very favorable conditions now in prospect. The trade of the British West Indies reaches surprisingly large figures, the total value of their 1919 imports and exports being about 250 million dollars. Of this amount, a little over 100 million dollars is represented by imports, one-third of which is supplied by the United States.

In summing up the general business situation, while I feel that casual optimism is out of place, and that we ought all to recognize the fact that business is being brought down to a new and sounder basis, I think that undue pessimism is just as bad as the other extreme. Whatever the difficulties we have to face in the near future, the fundamentals of Canada's position are sound, granted that the Canadian people work hard and exercise reasonable economy.

In the period we are thus looking forward to, I feel confident that this bank will play no small part.

I beg to second the Motion for the adoption of the Report.

Auditors

Mr. S. R. Mitchell, Mr. James G. Ross and Mr. W. Garth Thomson were appointed Auditors for the ensuing year.

The Staff

A vote of thanks was passed to the President, Vice-President and Directors; also to the General Manager and staff. In replying to the latter Mr. C. E. Neill, General Manager, said:

"On behalf of the officers of the bank and myself I thank you for this expression of appreciation of our services. We have a most efficient staff, and I can assure you the thanks of the shareholders, tendered at each Annual Meeting, are received by all with the greatest possible pride and pleasure. I cannot speak too highly of the efforts of all officers to advance the interests of the bank, and their loyalty and devotion are outstanding features of our service."

Board of Directors

The following were elected Directors for the ensuing year:—

Sir Herbert S. Holt, K.B.; E. L. Pease, Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, C. E. Neill, Sir Mortimer B. Davis, K.B., G. H. Duggan, C. C. Blackader, J. T. Ross, R. MacD. Paterson, W. H. McWilliams, Capt. Wm. Robinson, A. McTavish Campbell, Robt. Adair, T. Sherman Rogers, K.C.

At a subsequent meeting of the Directors, Sir Herbert S. Holt was unanimously re-elected President, and Mr. E. L. Pease Vice-President and Managing Director.